Magic Quadrant for Supplier Risk Management Solutions

21 April 2025 - ID G00820163 - 36 min read

By Cian Curtin, Martin Shreffler, **and 2 more**

Geopolitical uncertainty has renewed focus on supplier risk management for procurement and supply chain organizations. Technology can't eliminate all vulnerabilities but aids in anticipating and recovering from disruptions. Procurement technology leaders can use this research to assess the market.

Market Definition/Description

Supplier risk management solutions are advanced technology platforms designed to facilitate comprehensive supplier risk management activities. These platforms not only aid in the identification and continuous monitoring of potential risks, such as financial instability, geopolitical concerns, and compliance challenges, but also enable a thorough analysis of their holistic impact. Furthermore, they support the coordination of both operational and strategic responses to mitigate these risks effectively. Integral to end-to-end supply chain risk management, supplier risk management aims to assist organizations in mitigating prioritized risks across the entire supply ecosystem — encompassing both physical and digital domains.

Supplier risk management solutions empower supply chain and procurement organizations to effectively address both foreseeable and unforeseen disruptions, such as those arising from geopolitical tensions or extreme weather events. These solutions ensure regulatory compliance, optimize supplier performance management, mitigate financial risks, and enhance sustainability and environmental, social, and governance (ESG) initiatives. Additionally, they bolster cybersecurity measures and manage capacity fluctuations, thereby safeguarding the supply chain's integrity and resilience. By leveraging advanced analytics and real-time data, supplier risk management systems provide a comprehensive framework

for identifying, assessing and mitigating risks. This proactive approach not only minimizes potential disruptions but also enhances overall supply chain agility and responsiveness.

Supplier risk management and third-party risk management (TPRM) are distinct concepts within the broader risk management framework. While supplier risk management focuses primarily on the direct relationships and dependencies between an organization and its suppliers, TPRM encompasses a more extensive array of external entities, including regulators, subcontracted service providers, and various other partners. TPRM extends beyond mere arm's-length relationships, addressing a comprehensive spectrum of interactions and dependencies. Moreover, TPRM generally does not directly correlate real-world events with their potential impacts on the supply chain, thereby necessitating a more holistic and integrated approach to risk assessment and mitigation.

Mandatory Features

Supplier risk management solutions need to support the following features:

- **Risk identification and assessment:**

  - Advanced algorithms and models to assess and score supplier risk based on various parameters such as financial stability, geopolitical factors, compliance and operational performance.

  - Customizable risk assessment frameworks to align with organizational risk appetite and industry standards.

- **Continuous monitoring:**

  - Monitoring of suppliers using data feeds from news, regulatory updates, and other relevant sources.

  - Alerts and notifications for changes in supplier risk profiles.

  - Provide risk intelligence for broader risk visibility covering several risk domains, including financial, sustainability/ESG, event monitoring (e.g., geopolitical, extreme weather, etc.), capacity, cyber monitoring, performance and compliance.

- **Risk response management:**

  - Incident tracking and management tools to document and address supplier-related issues.

- Root cause analysis and corrective action planning.

- Coordination of risk response efforts for seamless reporting and oversight.

- **Learning and analytics:**

  - Metrics and KPIs to evaluate supplier performance and risk over time.

  - Data visualization tools for intuitive analysis and decision making, such as dashboards and reporting tools for visualizing supplier risk and performance data.

  - Advanced analytics and machine learning capabilities to identify risk patterns and trends.

Common Features

Additional features that supplier risk management solutions can support include:

- **Real-time risk intelligence:**

  - Integration with real-time data feeds from global news, regulatory bodies and market intelligence sources.

  - Enables continuous monitoring in real time or close to real time of geopolitical events, extreme weather, and market fluctuations that might impact suppliers.

  - Delivers for users through analytics; for example, a real-time value at risk and the revenue impact of a risk.

- **Predictive analytics and AI:**

  - Utilization of artificial intelligence, generative AI and machine learning algorithms to predict potential risks before they materialize.

  - Advanced analytics to identify patterns and trends in supplier behavior and performance.

- **Multitier mapping:**

  - Mapping out and keeping current the entire supply chain network, including all tiers of suppliers.

  - Visualization tools, such as interactive maps and dashboards, that highlight the relationships and dependencies between different suppliers.

- Analyzing how risks at lower-tier suppliers can propagate through the supply chain and impact the buying organization. Enabling the evaluation of potential ripple effects of disruptions at different tiers.

- Enabling in-depth understanding of the full network of relationships to help organizations identify opportunities for collaboration and joint risk mitigation with suppliers.

- **Supplier management:**

  - A centralized repository for all supplier-related information, including contact details, financial data, compliance records, performance metrics and risk assessments.

  - Streamlined and automated workflows for supplier onboarding, including data collection, validation and approval processes. Can include supplier self-service portals for updating and maintaining their information.

  - Enhanced collaboration through improved communication and collaboration with suppliers on joint risk mitigation efforts.

- **Regulatory compliance tracking:**

  - Automated tracking of regulatory changes and their implications for supplier compliance.

  - Integration with global regulatory databases to ensure up-to-date compliance information.

- **Community-generated intelligence:**

  - An intelligence provided through the use of a multitenant architecture that leverages the collective knowledge and insights of all tenants to enhance risk management practices.

  - Leverages anonymized data and experiences from multiple organizations to create a more robust and informed risk management framework.

- **Graph technology:**

  - Leveraging graph databases and graph analytics enhances supplier risk management solutions through data efficiencies and improved visualization.

- Representing data as nodes (entities) and edges (relationships), to enable a more comprehensive understanding of complex supply chain networks and a clearer picture of potential cascading impacts of a risk.

- **Generative AI:**

  - Leveraging advanced AI models, gen-AI powered solutions can offer a range of sophisticated features that enhance decision making, predictive analytics, and operational efficiency.

  - Chat interfaces, and contextualized summarization of risk intelligence and risk response actions automated by AI agents.

- **Partner ecosystem:**

  - Intelligence partners like weather services, financial reporting services, sustainability/ESG rating services, cybersecurity platforms, supplier information management (SIM), sourcing applications, planning technology and ERP systems.

  - Implementation partners that support the successful deployment and ongoing management of solutions, helping customers to achieve their risk management goals and drive long-term value.
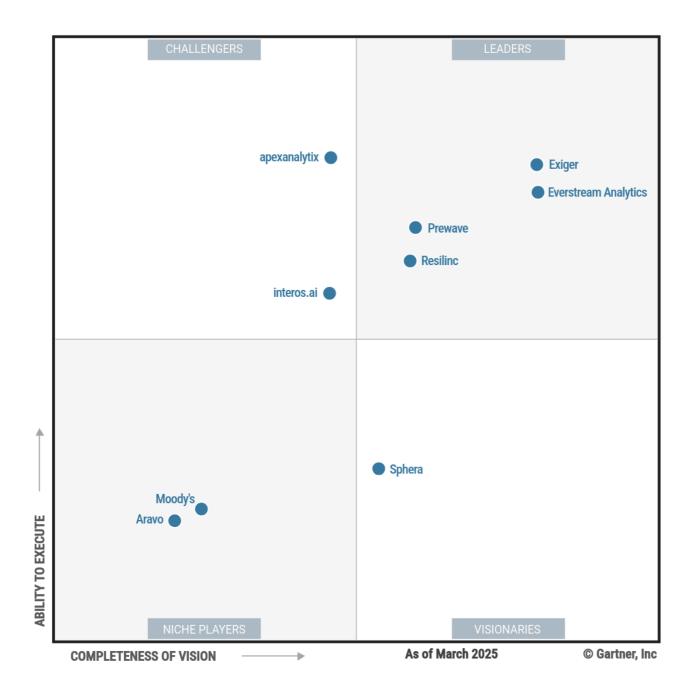
- **Extensibility:**

  - Ability to connect through electronic data interchange (EDI), flat files and APIs, for integrating to common back-end systems.

  - As asset tracking becomes more prevalent, incorporating Internet of Things (IoT) data into solutions.

- **Mobile accessibility:**

  - Mobile-friendly interfaces and apps for on-the-go access to real-time alerts and notifications that are accessible via mobile devices.

Magic Quadrant

Figure 1: Magic Quadrant for Supplier Risk Management Solutions

Magic Quadrant chart. Y-axis: ABILITY TO EXECUTE. X-axis: COMPLETENESS OF VISION.

CHALLENGERS (upper left): apexanalytix, interos.ai

LEADERS (upper right): Exiger, Everstream Analytics, Prewave, Resilinc

NICHE PLAYERS (lower left): Moody's, Aravo

VISIONARIES (lower right): Sphera

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Vendor Strengths and Cautions

apexanalytix

apexanalytix is a Challenger in this Magic Quadrant. Its Supplier Risk Resolution product includes supplier discovery and onboarding, supplier management, risk event management, working capital management, real-time P2P transaction compliance, and fraud prevention. It uses proprietary and third-party data sources to create risk control scores that users can customize to prioritize and automate risk resolution actions. Its operations are headquartered in North America and have a growing global presence. Its clients tend to be organizations of all sizes across a broad coverage of industries, such as industrial

manufacturing, finance, and food and beverage. Future enhancements will focus on increased flexibility for specific personas and further automation, taking broader actions on behalf of buying organizations to mitigate and resolve risk without manual input.

Strengths

- **Customer satisfaction (customer experience):** apexanalytix distinguishes itself with a high customer satisfaction and Net Promoter Score (NPS) relative to other vendors in this research. Clients view apexanalytix as a valued partner for risk management.

- **Generative AI utilization (innovation):** apexanalytix offers agentic AI powered by its proprietary generative AI (GenAI) database in the company's private cloud environment. Use cases include automated resolution of supplier risk issues, autonomous P2P system application support and addressing data-related inquiries with AI agents that facilitate supplier collaboration.

- **Acquisitions (product):** In 2023, apexanalytix expanded its risk domain coverage by acquiring Darkbeam, specializing in cyber-risk ratings and active threat monitoring, and environmental, social and governance (ESG) enterprise, offering ESG ratings and solutions. Additionally, apexanalytix invested in Certificial to automate supplier insurance compliance monitoring.

Cautions

- **Direct materials (offering [product] strategy):** Customers that need specific capabilities for managing direct materials supply risk, such as detailed product or material-level multitier mapping, should thoroughly assess their requirements against apexanalytix's offerings.

- **Brand awareness (marketing execution):** Gartner customer interest analysis of apexanalytix's Supplier Risk Management solution is relatively low compared with others evaluated in this research. Prospective customers should ensure that all stakeholders are aware of apexanalytix's capabilities and aligned on whether it meets their specific needs and strategic goals for their supplier risk management initiative.

- **Resilience (market understanding):** Supplier discovery and onboarding, supplier management, supplier risk management, working capital management, real-time P2P transaction compliance and fraud prevention are capabilities apexanalytix provides. Prospective clients engaged in resilience initiatives, such as assessing recovery time or

evaluating absorptive capacity, should thoroughly consider apexanalytix's capability to meet their unique needs.

Aravo

Aravo is a Niche Player in this Magic Quadrant. Its Third-Party Risk Management product mainly focuses on delivering a comprehensive inventory system for managing and visualizing third-party relationships through a variety of processes and technologies. Its operations focus mainly on North America, and its clients are diverse in size and across industries, including pharma, finance and manufacturing. Future enhancements will concentrate on expanding support to comply with evolving regulatory requirements. Additionally, Aravo plans to integrate AI into supply chain risk management (SCRM) and third-party risk management (TPRM) functionalities, including supplier segmentation and initiating actions based on the latest best practices.

Strengths

- **Prebuilt connectors (product):** Aravo provides a robust integration framework that facilitates seamless data exchange with risk intelligence providers through APIs while supporting integration with systems such as ERP and master data management (MDM) platforms. It offers prebuilt connectors to a variety of third-party providers to simplify integration, allowing organizations to quickly access external data for informed decision making in supplier risk management.

- **Collaboration (customer experience):** Customers report relatively high satisfaction levels postimplementation, reflecting the Aravo solution's effectiveness and integration capabilities. Clients often commend how Aravo's collaborative culture fosters strong partnerships and open communication that ensures customer feedback is integrated into product development and support.

- **Itemized pricing (sales strategy):** Aravo employs an itemized pricing model, allowing clients to customize their purchases to align with their specific business needs and supplier risk management processes while optimizing their resource allocation and budget.

Cautions

- **Supply chain risk management (offering/product strategy):** Aravo offers supplier onboarding and TPRM; however, customers with mature supply chain risk management

processes may find Aravo's product capabilities limited. Features such as autonomous multitier mapping and advanced analytics that provide real-time assessments of revenue impacts from disruptions are missing from their list of capabilities.

- **Emerging technology (innovation):** Aravo may not be ideal for customers seeking to innovate their supplier risk management technology with advanced tools such as knowledge graphs and GenAI. Although it offers strong traditional capabilities, it lacks the cutting-edge features organizations need to leverage these emerging technologies effectively.

- **Language support (geographic strategy):** Aravo provides support only for the English language, which may limit its effectiveness for organizations with multilingual needs. This single-language support could necessitate additional resources for translation or localization for non-English-speaking users.

Everstream Analytics

Everstream Analytics is a Leader in this Magic Quadrant. Its product suite of Everstream Discover, Everstream Explore and Everstream Reveal broadly focuses on enabling proactive risk identification and monitoring as well as predicting preventable vulnerabilities through AI and risk response tracking. Its operations mostly focus on North America and Europe, and its clients tend to be global to midsize, across industries such as food and beverage, automotive, and chemicals. Future enhancements focus on AI, risk simulation and big data analytics, including analyzing historical risk trends and creating persona-based user experiences. Everstream's roadmap incorporates GenAI use cases, addressing areas such as risk collaboration, advanced impact assessment and simulation modeling.

Strengths

- **Predictive AI (innovation):** Recent integrations of cutting-edge AI and machine learning (ML) technologies anchor the Everstream Analytics solution, enabling proactive risk identification and predictive vulnerability assessments. The platform uses a real-time, expansive network of public and proprietary data to continuously monitor risks to supply, empowering organizations to holistically manage emerging threats to their supply chain.

- **Customer responsiveness (market understanding):** Everstream employs a holistic strategy in proactive product management by diligently monitoring market trends, adjusting its product roadmaps to align with shifting market dynamics and innovating to meet changing customer demands in their target sectors. Partnering with progressive

clients in supplier risk management enables it to gain valuable insights into industry-specific challenges and pain points.

- **Industry media presence (marketing execution):** Everstream Analytics' annual risk report serves as a cornerstone of its marketing strategy, adeptly and extensively capturing market attention and demonstrating its industry acumen. Recognized as a trusted supply chain risk authority, it strengthens its media presence through longstanding partnerships with traditional and digital media platforms.

Cautions

- **Retention rate (customer experience):** Everstream Analytics has a below-average customer logo retention rate. This is a critical measure of customer satisfaction and loyalty, pointing to potential areas where the company could improve its customer engagement and service offerings.

- **Mature business processes (product):** Everstream Analytics provides a sophisticated solution for organizations across different maturity levels. Clients with a lower maturity business process should assess their requirements and leverage managed services or consulting support to maximize return on investment.

- **U.S. federal government serving industries (vertical/industry strategy):** Everstream is not Federal Risk and Authorization Management Program (FedRAMP) authorized. Prospective customers working with the U.S. federal government may need to consider alternative providers.

Exiger

Exiger is a Leader in this Magic Quadrant. Its 1Exiger product broadly focuses on identifying, assessing and managing risk within a supplier or supplier ecosystem through its embedded proprietary risk prioritization framework. Its operations are geographically diversified, and its clients vary in size across multiple industries, such as aerospace and defense, high-tech, and industrial manufacturing. Exiger underpins its future product development roadmap with continued investment in AI, including agentic AI, broadening the technology ecosystem through targeted integrations and using big data. Another focus is enhancing supply chain transparency by tailoring the solution to client needs through, for example, a synthetic (AI-generated) bill of materials (BOM).

Strengths

- **Part-level risks (market understanding):** Exiger's solution dissects supply chains to the part and material level, combining engineering expertise with advanced technology. Traditional supplier entity-level analysis often overlooks critical part-level risks such as multiple suppliers depending on a single country for a material. Exiger's solution identifies these hidden dependencies, providing a more comprehensive risk assessment.

- **Emerging technology use (innovation):** Exiger's solution employs AI techniques, including models — natural language processing (NLP) and agentic AI — to automate tasks typically done by analysts. This includes generating corporate insights, identifying risks, streamlining workflows, analyzing data, summarizing texts and mapping supply chains. It also identifies alternative suppliers and automates product BOMs. These capabilities claim to help organizations anticipate disruptions and enhance supply chain resilience, providing them a strategic edge in the global market.

- **FedRAMP approved (vertical/industry strategy):** FedRAMP authorization allows organizations to work with the U.S. federal government. Exiger is FedRAMP authorized, so customers serving industries in that space should consider Exiger for its supplier risk management solution.

Cautions

- **Monitoring (customer experience):** Customers have reported dissatisfaction with 1Exiger's risk monitoring features. Users are concerned about the platform's limited ability to customize reporting and monitoring, particularly regarding user-level preferences for specific risk dimensions and thresholds.

- **Pricing (sales execution/pricing):** Exiger is priced at a premium compared with some other solutions in the market. Prospective clients seeking a lower-priced option may want to explore alternative solutions available.

- **Customer interest (marketing execution):** Customer interest in Exiger's Supplier Risk Management solution is average compared with other vendors evaluated in this research. Prospective customers may need to educate internal stakeholders on the capabilities Exiger provides for organizations.

interos.ai

interos.ai is a Challenger in this Magic Quadrant. Its Operational Resilience, Catastrophic Risk and Resilience Watchtower products mainly focus on providing an AI-powered SaaS

platform for supply chain risk intelligence, enabling organizations to identify and assess supplier risk across their extended supplier ecosystems. Its operations mostly focus in North America, and it serves clients of all sizes in such sectors as financial services, government, and aerospace and defense. Its future focuses include leveraging AI to enhance its platform's predictive capabilities, delivering product-level supply chain risk tracing and enabling AI-driven mitigation playbooks. An advanced secure clean room architecture will facilitate bring your own data (BYOD) to support delivery of actionable insight.

Strengths

- **Customer interest (marketing execution):** interos.ai has successfully cultivated strong brand awareness and garnered significant interest among Gartner clients, underscoring its effective marketing execution and demonstrating its ability to effectively communicate its value proposition and unique differentiators. Engagement from Gartner clients indicates that interos.ai resonates with key decision makers, reflecting a strategic understanding of customer needs.

- **Visualization of risk (product):** The interos platform offers a visualization of risk that's enhanced by its Resilience Analytics tool, an integrated business intelligence (BI) solution. This tool provides configurable visualization capabilities, streamlining the creation of custom reports and dashboards. Users can tailor data experiences across the risk management function to deliver risk assessments.

- **Industry-specific vision (vertical/industry strategy):** interos.ai's product roadmap includes developing industry-specific configurations that merge its market intelligence with customers' first-party data via clean room technology. This will enable industry-specific risk taxonomies, benchmarking and tailored analytics. interos.ai aims to deliver industry-contextualized insights by leveraging its platform and a knowledge graph of supplier relationships.

Cautions

- **Supplier location type (offering/product strategy):** The interos.ai solution does not differentiate between a supplier head office and a supplier manufacturing location without manual input. Prospective customers should review the impact this has on their supplier risk management process.

- **North America customer base (geographic strategy):** interos.ai primarily serves a North American customer base, with English as the only supported platform language. To

expand internationally, the company relies on its partner network for sales and distribution.

- **Customer support (operations):** Days to resolution for support tickets is longer compared with others evaluated. These prolonged resolution times may hinder customers' ability to fully use the platform, highlighting the need for interos.ai to enhance its support services to ensure a more responsive and customer-focused experience.

Moody's

Moody's is a Niche Player in this Magic Quadrant. Its Supply Chain Catalyst product broadly focuses on offering a range of risk management capabilities, including real-time risk intelligence, predictive analytics and AI-driven insights. Its operations are diversified with a global clientele that spans both size and industry. Moody's vision for the future involves leveraging advanced technologies, data and analytics to support supply chain risk management. It plans to use partnerships and proprietary data to expand its current solution for risk management and compliance with growing regulatory requirements, including multitier supplier visibility and the use of scenario analysis.

Strengths

- **Extensive database (offering [product] strategy):** Moody's solution leverages an extensive database of suppliers combined with advanced analytical modeling to generate detailed risk profiles. These risk profiles provide customers with a starting point to prioritize and manage specific supplier risks.

- **Enhancement schedule (operations):** Moody's strengthens its supplier risk management solution with quarterly updates, underscoring its dedication to keeping pace with industry trends and technological advancements. These updates generally incorporate new features, enhanced functionalities and advanced data analytics capabilities.

- **Pricing (sales execution):** Moody's offers flexible pricing tailored to the specific scope of customer requirements. Factors such as the scale of deployment, the degree of customization and the volume and complexity of the analytics involved typically influence pricing. Costs may increase with the size of the implementation and extended proof-of-concept (POC) phases may incur additional expenses.

Cautions

- **Maturing solution (product):** Launched in March 2022, Moody's Supply Chain Catalyst is still maturing as a SCRM solution. Features such as "noise" reduction for risk alerts appear more manual and have yet to undergo extensive robust real-world usage. As the platform continues to mature, Moody's is expected to focus on refining these functionalities to ensure their practical effectiveness.

- **Preconfigurations (vertical/industry strategy):** Moody's does not offer out-of-the-box preconfigured industry-specific configurations unlike many competitors. These configurations provide organizations with a significant advantage by streamlining the implementation process and enhancing operational efficiency. Without these preconfigured options, organizations using Moody's may need to invest additional time and resources in customization, potentially delaying the realization of full benefits.

- **Brand awareness (marketing execution):** Moody's is a well-recognized brand in the financial sector; however, its Supply Chain Catalyst has yet to establish a foothold in this competitive market segment.

Prewave

Prewave is a Leader in this Magic Quadrant. Its AI-driven Supply Chain Superintelligence Platform product mainly focuses on providing a customizable SaaS tool for proactively identifying and understanding the impact and supporting management of supplier risk. Its operations are mostly based in Europe, and its clients tend to vary in size and cross multiple industries, such as industrial manufacturing, automotive, and mining and construction. Its vision for the future involves further use of AI and GenAI technology to deliver functionality enhancements and proactively increase resilience. These enhancements include BOM-level product data, multitier mapping and increased automation in risk responses.

Strengths

- **Default sustainability/ESG analysis (product):** Sustainability risks are integrated into Prewave's supplier risk analysis by default, with prioritization determined by the company's influence on the supplier. The sustainability and ESG risks evaluation employs statistical risk data derived from the supplier's country and industry that's further supplemented with real-time risk incidents pertinent to specific risk event types.

- **Comprehensive sales approach (sales strategy):** Prewave employs a comprehensive sales strategy that leverages data-driven insights to support customers. This approach includes

quantifying the value proposition, delivering tailored demonstrations and engaging with stakeholders throughout the sales process.

- **Industry-specific statistical risk averages (vertical/industry strategy):** Prewave facilitates rapid deployment by providing preconfigured industry-specific templates designed to address the distinct risk profiles, regulatory requirements and best practices for various sectors. A notable feature includes statistical risk averages tailored to each industry and preformatted due diligence reports that ensure compliance with sector-specific regulations.

Cautions

- **Release of new features (customer experience):** Customers have reported that minor enhancement releases have historically had a negative impact on customer experience (CX). A lack of timely communication prevents organizations from preparing and training their users, leading to confusion and inefficiencies.

- **Limited global footprint (geographic strategy):** Prewave's customer base is largely concentrated in Europe so its support infrastructure is primarily geared toward this region. Customers outside Europe should ensure that adequate support is available to meet their specific needs by assessing the availability of localized customer service.

- **Deal size (sales execution):** Prewave's average deal size is comparatively lower than that of many other vendors analyzed in this research. Prospective customers are advised to assess Prewave's scalability capabilities to ensure they can meet anticipated higher usage demands.

Resilinc

Resilinc is a Leader in this Magic Quadrant. Its EventWatch [AI], CommodityWatch [AI], RiskShield and Multi-Tier Mapping products broadly focus on providing a configurable SaaS solution for supplier risk monitoring and alerting, as well as risk event intelligence, including impact analysis and multitier supply chain visibility. Its operations focus mainly on North America, Europe and EMEA, and it serves clients of all sizes and across numerous sectors, such as high tech, industrial manufacturing and automotive. Its future focus is on agentic AI to provide prescriptive recommendations and take autonomous actions. Resilinc is also targeting a hybrid approach to multitier mapping that combines autonomous mapping with the accuracy of validated data.

Strengths

- **Risk response (product):** Resilinc's what-if analysis tool empowers organizations to proactively model supply chain disruptions and assess their impact with precision. It enables users to incorporate suppliers into their scenario planning, soliciting input on contingency strategies and response mechanisms in the event of such disruptions.

- **Extensibility (market understanding):** Resilinc optimizes supply chain risk management with advanced integration solutions. It connects with rating agencies for risk assessment and integrates with control towers and logistics systems for real-time data exchange. Using an API framework, Resilinc ensures secure, scalable and robust integration with enterprise systems, supporting efficient data management.

- **Industry-specific configurations (vertical/industry strategy):** Resilinc offers more than 25 preconfigured industry-specific configurations in its solution, which are designed to enhance supplier risk monitoring, alerting and risk event intelligence. These tailored configurations enable clients to personalize disruption notifications to align with their industry's most relevant risks.

Cautions

- **Ease of use (offering/product strategy):** The Resilinc platform's user interface (UI) emphasizes functionality over aesthetics, which often translates to comprehensive initial training and ongoing change management to ensure that users can effectively navigate and utilize the platform. As updates are implemented, continuous learning becomes crucial to maintain user proficiency and satisfaction.

- **Data management (customer experience):** Customers often find data management with Resilinc complex, particularly when using the supplier portal to collect data. The primary challenge lies in ensuring files are correctly formatted, which can lead to inefficiencies and delays due to the additional time and resources required to guide suppliers. This highlights the need for streamlined processes to facilitate smoother data exchanges.

- **Senior leadership changes (overall viability):** In recent years, Resilinc has seen multiple turnovers in its senior leadership team. Customers should stay informed about these developments to anticipate any impacts on service delivery and customer experience.

Sphera

Sphera is a Visionary in this Magic Quadrant. The Supply Chain Transparency product broadly focuses on its supply chain risk management solution that allows organizations to identify and manage supplier risks from operational, financial and ESG perspectives. Its operations are mostly in EMEA and North America, and it serves clients of all sizes and in diverse sectors such as manufacturing, retail and automotive. Future focuses include enhanced supplier intelligence along with verified multitier mapping through targeted data integrations. Sphera is also working on delivering capabilities of GenAI use for risk scenario simulation, impacts and recommended action plans.

Strengths

- **ESG/sustainability capabilities (offering [product] strategy):** Sphera conducts thorough supplier assessments across a broad spectrum of sustainability topics, encompassing all major ESG regulations, diversity, human rights and transportation sustainability to identify undetected, current and historical risks. Sphera enables customers to dispatch assessment templates directly to suppliers identified as high risk in ESG, facilitating response and documentation collection as well as corrective action plan development.

- **Industry-specific customization (industry strategy):** Sphera's services and customer success teams specialize in tailoring solutions to assess and display risks relevant to each industry and client through filtering and reporting capabilities. The organization also participates in industry-specific events and roundtables as part of a strategic initiative to continuously monitor and analyze market dynamics.

- **Implementation support (customer experience):** Customers praise Sphera for its robust support infrastructure and knowledgeable points of contact, especially its implementation support. The company provides guidance for successful project deployment by conducting workshops, offering benchmarking services and delivering training programs.

Cautions

- **UI/user experience (product):** Sphera's expansion through acquisitions resulted in a diverse mix of products with some differences in look, feel and user experience (UX). These variations may affect the seamless user experience and integration, requiring customers to adapt and possibly undergo additional training to fully utilize each product's capabilities.

- **Use of emerging technology (innovation):** The Sphera solution supports supplier risk management but requires significant human involvement. Its AI capabilities for optimizing and filtering risk monitoring and alerts are limited currently, requiring manual oversight to identify and address risks.

- **Customer interest (marketing execution):** Customer interest in Sphera's supplier risk management solution appears to be low, suggesting potential shortcomings in its marketing strategy. However, the solution is built on Sphera's 2023 acquisition of riskmethods, an organization that appears to maintain ongoing market relevance and recognition.

Inclusion and Exclusion Criteria

To qualify for inclusion, providers needed to:

- Market and offer to sell as a single stand-alone solution what our clients expect from a supplier risk management solution. This is a solution that supports all four of the mandatory capabilities described in the market definition above and at least six of the common features listed above. All products must have been generally available and sold since 1 October 2023.

Additionally, providers must:

- Have at least 75 active customers (logos) using the solution as a stand-alone capability for supplier risk management as of 31 October 2023.

- In the last 12 months, have sold to at least 12 or more customers who are using the solution as a stand-alone capability for supplier risk management.

- Ranked in the top 25 of Gartner's Customer Interest Indicator (CII) analysis for supplier risk management solutions.

- The solution has to deliver four or more distinct risk domain area coverage natively via the platform.

Honorable Mentions

Craft did not meet the inclusion criteria in the Customer Interest Indicator (CII) analysis. This is due to low brand awareness within the procurement and supply chain prospective

customers in the market for a supplier risk management solution. Craft is a supplier risk management solution with similar capabilities to the vendors listed in this Magic Quadrant.

Evaluation Criteria

Ability to Execute

Gartner evaluates a vendor's Ability to Execute by meticulously analyzing its products, services, viability and the overall customer experience it delivers. The ultimate measure of a vendor's Ability to Execute lies in its capacity to fulfill its commitments and its track record of success in doing so. In alignment with this, Gartner's Magic Quadrant for Supplier Risk Management Solutions assigns "high" priority to the criteria of product or service quality and customer experience. These elements are crucial indicators of a vendor's capability to deliver on its promises effectively.

The criteria for overall viability, sales execution/pricing, marketing execution, and operational efficiency are assigned a "medium" weighting. This weighting underscores the necessity for vendors to secure adequate funding, sustain growth, and continuously develop, enhance and support their products.

Market responsiveness is not evaluated in this first Magic Quadrant iteration. As this is the inaugural release of the Magic Quadrant for Supplier Risk Management Solutions, historical performance was not a distinguishing factor; however, this aspect is anticipated to gain importance in future iterations. For this iteration, customer experience serves as a significant indicator.

Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product or Service	High
Overall Viability	Medium
Sales Execution/Pricing	Medium

Evaluation Criteria	Weighting
Market Responsiveness/Record	NotRated
Marketing Execution	Medium
Customer Experience	High
Operations	Medium

Source: Gartner (April 2025)

Completeness of Vision

Gartner conducts a thorough evaluation of vendors' ability to comprehend both current and future market and technology trends, customer needs and competitive dynamics — collectively known as their Completeness of Vision. This assessment ultimately hinges on the vendors' understanding of how market forces can be leveraged to generate growth opportunities. This qualitative evaluation is informed by Gartner's extensive interactions with end users and its comprehensive market insights. As the supplier risk management solutions market continues to evolve, a deep market understanding, robust offering (product) strategy and innovation emerge as the most critical components for vendors to consistently deliver value to customers amid expanding customer demands. Consequently, these three criteria are assigned "high" weightings.

The sales strategy is given a "medium" weighting, reflecting its significance as an integral part of a vendor's overarching vision. Geographic strategy and vertical/industry strategy are assigned "low" weightings. Although these factors are important, Gartner considers a demonstrated market understanding coupled with a strong offering strategy and innovation to be a more accurate indicator of a vendor's vision.

The marketing strategy and business model were not evaluated. The majority of supplier risk vendors employ similar business model approaches, rendering it a nondifferentiating factor in assessing a vendor's vision. Furthermore, marketing strategy is closely tied to sales

strategy and Gartner considers the sales strategy to be a more substantial indicator of vision than the marketing approach.

Completeness of Vision Evaluation Criteria

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

Source: Gartner (April 2025)

Quadrant Descriptions

Leaders

Leaders are positioned to significantly influence the market's growth and direction. They articulate a visionary approach to how supplier risk management solutions can assist procurement and supply chain leaders in achieving goals related to supplier risk management, compliance and organizational resilience. These leaders effectively execute their vision through advanced platform capabilities and services, demonstrating business

success through increased revenue and earnings. They stand out due to their comprehensive market understanding, innovation, product features and overall viability.

Leaders maintain a strong base of long-term clients while consistently acquiring new business and ensuring successful implementations. Their customer deployments span various geographic regions and encompass a wide array of industry sectors and organizational sizes. While Leaders are excellent candidates for most organizations to consider when selecting a supplier risk management solution, it is recommended to evaluate a broader range of vendors to ensure a well-rounded decision-making process.

Challengers

Challengers have established a strong presence, credibility and viability in the market, consistently meeting customer expectations for functionality and customer experience. They typically possess a solid technological vision, especially regarding architecture and IT considerations, but their strategies or vision may not fully align with what customers expect from a supplier risk management solution vendor. Despite this, Challengers are well-positioned for success in the market.

However, they may not exhibit the same level of thought leadership or innovation as Leaders. They can be an excellent choice for organizations that prioritize execution and a comprehensive product suite capable of being delivered at scale rather than focusing on future potential innovations.

Visionaries

Visionaries are at the forefront of defining what the future of supplier risk management solutions will entail. These vendors are setting or will set the trends that shape the supplier risk management market. However, they may not yet be widely recognized and there could be concerns regarding their execution capabilities. Visionaries possess a strong vision and roadmap, bringing innovation and robust functionality to their platforms. They are an attractive option for organizations seeking cutting-edge solutions without the premium price tag associated with major brands.

Additionally, these vendors offer customers the chance to advance their technical and business process maturity and influence the vendor's product roadmap. Although they may currently lack a substantial base of referenceable customers using their technology at scale,

as they mature and demonstrate effective execution they have the potential to evolve into Leaders.

Niche Players

Niche Players offer effective supplier risk management solutions, but their adoption may be limited across industries and they likely lack certain functional capabilities. They often face challenges with strong business execution in the market. However, these vendors can provide optimal solutions for specific procurement and supply chain needs tailored to the supplier risk management objectives of particular organizations. Although they may secure deals in certain regions or industries, they do not consistently achieve new business across multiple regions or industries as rapidly as vendors in other quadrants.

Some Niche Players show a promising vision that could elevate them to Visionary status, though they may struggle to make their vision compelling or to maintain a consistent track record of innovation. Others have the potential to become Challengers by focusing on product development and enhancing their execution capabilities.

Context

In the intricate and ever-evolving landscape of global supply chains, technology has emerged as an indispensable enabler for a successful and holistic supplier risk management initiative. While it is important to recognize that technology alone cannot completely eliminate vulnerabilities associated with supplier and supply chain risks, it is increasingly becoming a critical requirement for organizations aiming to build resilience. This resilience is essential for anticipating, absorbing and recovering from supply chain disruptions and risk events, which are becoming more frequent and complex due to factors such as globalization, geopolitical tensions and climate change.

Supplier risk management solutions are integral in this context as they directly correlate real-world events, such as supply chain disruptions, with their potential impacts on the supply chain. This correlation necessitates a more holistic and integrated approach to risk assessment and mitigation. Organizations that excel in managing supplier risks are those that strategically deploy technology solutions tailored to their specific needs.

For leaders evaluating vendor options in the supplier risk management solutions market, a nuanced two-step approach is required:

Align technology solutions with specific risks:

- It is imperative to match technology solutions to the specific types of risks being managed. This involves a thorough assessment of the functional differences between vendor offerings. Some solutions are designed to evaluate risk based on historical patterns and data, providing insights from past events to inform future strategies. Others are equipped to monitor risks in real time, utilizing cutting-edge technologies, such as AI and GenAI, to intelligently predict risks before they materialize.

Develop an ecosystem of supplier risk technology:

- Building an ecosystem of supplier risk technology involves selecting solutions that precisely match the capabilities required by the organization. This approach is critical to avoid overinvestment in redundant systems or single solutions that do not provide a comprehensive risk management framework. By focusing on the specific needs of the organization, leaders can ensure that their investment in technology yields maximum returns and effectively mitigates risks.

As the complexity and interconnectivity of global supply chains continue to grow, the role of technology in supplier risk management becomes increasingly vital. By strategically aligning technology solutions with specific risks and developing a tailored ecosystem of supplier risk technology, organizations can enhance their resilience and ensure continuity in the face of disruptions. Procurement and supply chain leaders can tie together their supplier risk data with other transactional solutions like planning technology to operationalize the use of their supplier risk throughout their supply chain analytics. This strategic approach not only safeguards the supply chain but also contributes to the overall competitiveness and sustainability of the organization in the global market.

Market Overview

The supplier risk management solutions market is a critical segment within the broader supply chain risk management and supply chain management sectors. This market focuses on providing organizations with tools and technologies to assess, monitor and manage risks associated with their suppliers. In addition, supplier risk management solutions empower supply chain and procurement organizations to effectively address both foreseeable and unforeseen disruptions, such as those arising from geopolitical tensions or extreme weather

events. As global supply chains become more complex and interconnected, the need for robust supplier risk management solutions has grown significantly.

Key drivers include:

- **Technological advancements:** The integration of AI and ML, GenAI advanced big data analytics and agentic AI into supplier risk management solutions has enhanced their ability to predict and manage risks more effectively.

- **Globalization of supply chains:** With the increasing globalization of supply chains, companies are more exposed to risks such as geopolitical instability, regulatory changes and natural disasters. Supplier risk management solutions help in identifying and mitigating these risks. In addition, solutions support transparency into companies' supplier ecosystems.

- **Regulatory compliance:** Organizations are under pressure to comply with various regulations such as the Foreign Corrupt Practices Act (FCPA), General Data Protection Regulation (GDPR) and others. These solutions assist in ensuring compliance by providing comprehensive risk assessments and monitoring.

- **Focus on sustainability and ethical sourcing:** Companies are increasingly focusing on sustainability and ethical sourcing, which requires a thorough understanding of supplier practices and risks. Risk management solutions provide insights into these areas.

Challenges include:

- **Dynamic risk environment:** The rapidly changing risk landscape requires solutions to be adaptable and updated in near to real time.

- **Data privacy concerns:** With the increasing use of data analytics, ensuring data privacy and security is a challenge.

- **Integration complexity:** Integrating risk management solutions with existing systems can be complex and costly.

The supplier risk management solutions market is poised for significant growth, driven by the need for enhanced risk visibility, regulatory compliance and sustainable sourcing practices. As organizations continue to navigate during an era of supply chain disruptions and an increasingly complex global supply chain landscape, the demand for sophisticated risk management tools will continue to rise.

⊕ Evidence

⊕ Evaluation Criteria Definitions