ISG Provider Lens™

Procurement BPO and Transformation Services

A research report comparing provider strengths, challenges and competitive differentiators

Customized report courtesy of:

Infosys BPM

QUADRANT REPORT | APRIL 2023 | GLOBAL

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Global Vendor Revenue Growth Smooths as Enterprises Take a Breath

Investment in procurement services (and software) by user enterprises continues to grow, albeit not at the breakneck pace seen in recent years. Service providers report an average growth of 15–20 percent in client engagements and revenues year-over-year. Although the growth is noticeably high, it is considerably less than the global average of around 30 percent seen from 2020 through 2021.

What's behind the decreasing pace of growth? During the pandemic, firms worldwide were exposed to the breadth and depth of complexities and issues in their sourcing, procurement, purchasing capabilities and operations as supply chains broke, prices skyrocketed, and organizational management models shifted. The benefits of outsourcing procurement and the need for digital transformation became clearly evident to more enterprises. Anxious to take huge strides in improving their procurement infrastructure, many enterprises adopted outsourcing procurement operations while some invested in transformation initiatives.

In late 2022, the energetic pace of activity began to slow in most markets as supply chains began to rebuild, prices stabilized somewhat and firms became accustomed to new business structures and management models. Many service providers faced difficulty in hiring and training procurement experts to support clients while expanding their portfolios.

Meanwhile, global economic and political conditions diminished significant IT investment at many firms. Hence growth continues at a somewhat more measured pace in many markets.

However, the now-widespread acceptance of procurement outsourcing, especially BPO, has prompted even more user firms to investigate and invest. Pricing levels have dropped somewhat. ISG expects that the current pace of growth will accelerate once again as service providers bring in more skilled experts and global economic conditions improve.

Technologies recently regarded as **Transformative** are now **typically part of BPO portfolios.**

We could see the growth of 2020-era pace return in 2024 – depending on what happens through 2023.

Headwinds Continue to Buffet Procurement Organizations and Leaders

Global unrest remains the macro trend buffeting procurement organizations, disrupting costs, goods and services availability, and supplier reliability. Ongoing economic disruptors include global inflation and interest and exchange rate volatility. Political tension remains high, with the Russia-Ukraine war, U.S.–China tensions, the Middle East, Asian and African political unrest and so on. Social issues such as high population, poverty, poor sustainability and climate change also affect procurement. These challenges drive procurement organizations to reduce costs in the short term and avoid cost increases in the long term.

As part of enterprises' strategic response to these challenges – including finding means to smooth supply and use cost variations – ISG sees chief procurement officers (CPOs) getting involved in their enterprises' business innovation agendas. This represents a huge opportunity for providers to contribute directly, with their advanced and adaptable services and platform offerings and/or by taking over management of day-to-day procurement operations so that in-house procurement organizations can help accelerate enterprises' business innovation, in part by building strategic supplier relationships.

BPO and Transformation Trends by Type and Vertical

A review of engagement data service providers provided to ISG indicates that clients in manufacturing dominate the global utilization of providers' procurement services. Manufacturing clients account for nearly 30 percent of procurement BPO and transformation engagements reported to ISG, which is more than twice as many engagements as the next-highest vertical group, healthcare and pharmaceuticals. This is in keeping with previously noted procurement services usage trends in recent years. As providers (and their solution platform partners) expand more into direct sourcing, manufacturing is likely to retain this lead for years to come.

Previous ISG studies have indicated that BPO engagements accounted for approximately 60 percent to two-thirds of procurement services engagements globally. Several providers have reported that since 2021 there has been a change in this percentage. Some indicated last year that they expected the percentage split to reverse by the end of 2022, with BPO accounting for 40 percent and transformation 60 percent. However, the above data suggest that the change has not yet happened; BPO still accounted for approximately 65 percent of engagements reported by providers for 2022.

We believe these percentages have remained constant because the overall number of engagements has increased globally. BPO engagements deliver near-immediate improvements at less time and cost than transformation engagements. We do expect a shift to a higher percentage of transformation engagements over the coming years, given that most clients will use BPO as a gateway to procurement transformation.

Procurement Advancements Benefiting Clients

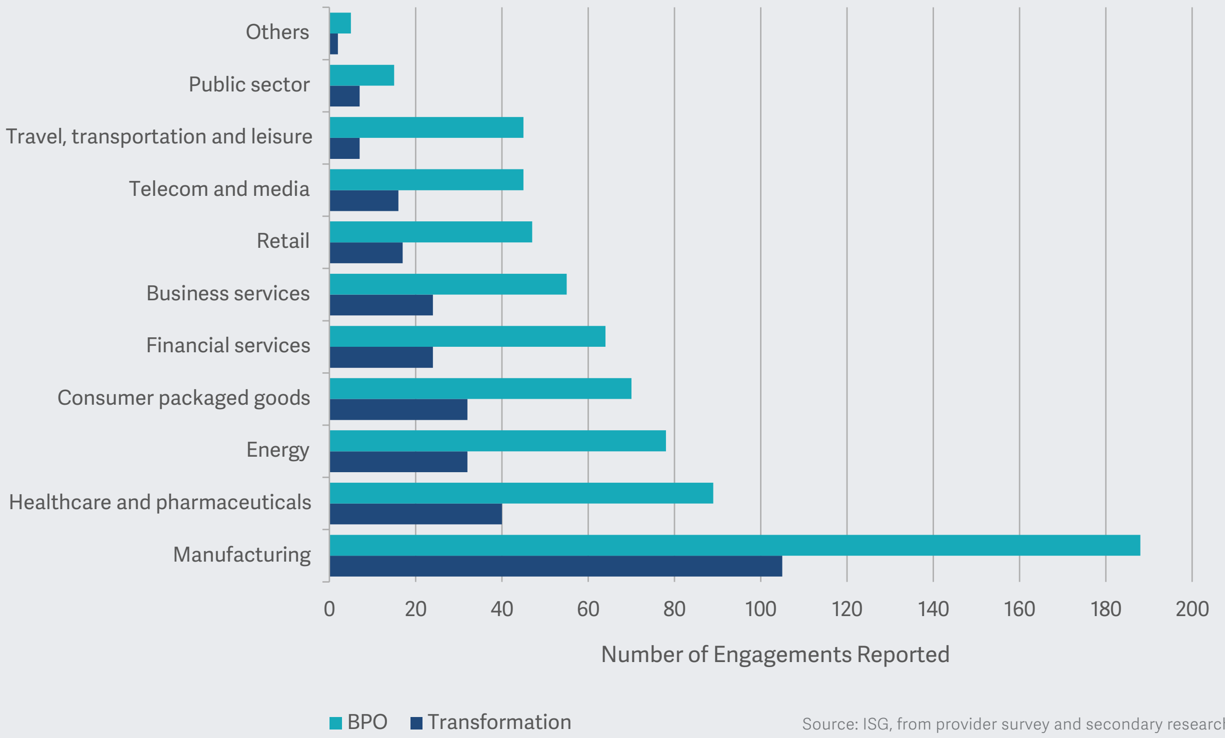
Analysis of client and provider activity indicates the following trends and impacts for user enterprise clients:

- **More direct-spend activity:** Procurement BPO historically had been primarily involved in indirect spend. But since mid-2022, more providers have been offering (and more clients have been buying) direct sourcing and spend management as part of procurement BPO. This enables more direct control over goods and materials critical to clients' business operations and outputs, increasing clients' ability to more effectively manage core vendor relationships and supply chains overall.
- **ESG compliance made easier:** The inclusion of environmental, social and governance (ESG) management in procurement greatly enhances clients' ability to meet current and future regulatory needs while advocating, enforcing, and streamlining ESG policy within client and supplier firms. More than 80 percent of enterprises report

moderate-to-significant commitment to sustainable procurement; 100 percent of service providers offer ESG compliance management as a service in their procurement portfolios.

- **BPO as a gateway to transformation:** Most technology capabilities formerly included in procurement digital transformation services are now part of providers' BPO portfolios. Increasingly, BPO engagements serve as a means to improve efficiencies in operations while also acting as a template for future and ongoing transformation. Provider sales pitches increasingly position BPO as a first step to long-term, continuous improvement. More BPO engagements are laid out in four- to five-year plans that include long-term transformation. The typical plan begins with spend management improvement in the first year, proceeds through category management and expansion of intelligent automation in years two and three, and into ongoing improvement (transformation) beginning in year four.

Figure 1: Procurement BPO vs. Transformation Engagements, 2022



Source: ISG, from provider survey and secondary research

- **Transformation becomes more consulting, less tech:** As BPO absorbs many leading-edge and disruptive technologies, transformation engagements now focus more on change management and associated business/organizational consulting. The power of procurement to shape how the enterprise does business becomes more of the consulting focus. The ability to efficiently implement and sustain changes in organizations, operations, responsibilities, reporting, relationships, and organizational structure and culture becomes a primary focus.
- **Automation is everywhere; intelligent automation is emerging:** Robotic process automation (RPA) has been an important capability in procurement operational improvement for years. A rapidly emerging advance in technology is the implementation of "intelligent automation" that uses machine learning and other AI applications. Client firms seek not only speed, but also improved accuracy through error checking and data cleansing. This can lead to automating more basic evaluation and decision-making tasks, simultaneously improving the workflow and eliminating costly errors at every stage. Several providers assessed in this study have declared intentions to automate as much as 95 percent of clients' procurement operations within the next three years.
- **Software platforms remain a foundational element of BPO:** All procurement BPO and transformation offerings are built around a core procurement software platform. Platforms harmonize data and functions, standardize user experiences and enable rapid integration and interoperation of multiple systems. The importance of platforms has led several service providers to develop their own procurement-focused software platforms, enhance the capabilities of their existing cognitive platforms, or both. This adds diversity to client software choices. It is likely to create conflicts between service providers and their (current) software platform partners and potentially engender conflicts of interest among service providers, software vendors and client firms. Objective guidance regarding providers and platforms will become even more important.

What is Next?

Given the above market conditions and trends, here is what ISG sees as the next most likely, major market developments affecting clients through at least 2025:

- **Master data management becomes a critical need:** Data analytics is so important to procurement operations, let alone transformation, that master data management (MDM) becomes a critical requirement for procurement services providers. Providers (and platform vendors) agree on it but differ in how they plan to implement and manage MDM solutions. In fact, much of the demand to transform to platform-centric BPO arises from clients and service providers seeking to improve data cleanliness, uniformity and availability. Longer term, Leaders will provide data cleansing and error checking at every step in every process.
- **Seamless progression of procurement BPO into transformation:** The core differences between BPO and transformation have blurred over the past three years. BPO portfolios increasingly absorb more leading-edge technologies and services that once were part of transformation. As more procurement BPO engagements lead to long-term digital transformation of procurement organizations, we expect that what is now considered transformation-focused consulting services will blend into a majority of engagements. Standalone BPO will continue, but with a declining percentage of engagements.
- **Procurement integrates into finance–SCM continuum:** As procurement BPO and transformation unify, procurement systems, data, and operations will extend inwardly into enterprise finance and outwardly into supply chain management (SCM). Approximately half of the providers assessed for this study strongly consider procurement as part of their larger SCM practices. Leading procurement platform vendors such as GEP consider SCM capabilities and modules as core components of their products. As supply chains and networks become highly integrated into social fabrics, a practical separation between SCM and procurement

will further fade. Improved master data management and UX will further blur boundaries among SCM, procurement, ERP and finance systems.

- **Low code/no code becomes a disruptive standard:** Finally, we note above that many procurement service providers build or enhance proprietary software platforms, putting them in a strong position but running them into conflicts with their software partners. As seen in our procurement Software Platforms study, Leaders in procurement platforms are moving more rapidly toward low code/no code versatility to enhance their attractiveness to non-IT procurement, finance and SCM professionals. This should greatly empower clients and as such is likely to affect the value of some providers' services – and their proprietary procurement platforms.

What Makes a Leader?

Given the developments above and the critical characteristics of the providers discussed in each quadrant of this study, what should clients look for in procurement BPO and transformation service providers?

Currently, immediate and short-term benefits for procurement costs and efficiencies are table stakes providers need to show before starting a negotiation. They must demonstrate what improvement they can offer and commit to easily measurable outcomes, including cost improvement.

Leaders clearly explain the scope, execution and impact of change management to the client, whether in BPO engagements or large-scale transformation initiatives. Given the growing role of BPO as a gateway to transformation, leaders will also show (and commit to deliver) a seamless transition from BPO into long-term, continual business improvement.

This includes a vision of integrating procurement more deeply into finance and supply chain management (SCM) systems, organizations and operations – and a solid track record of accomplishments in the area. Procurement digital transformation Leaders strongly emphasize this and provide well-articulated roadmaps explaining how and why these transformations improve clients' business growth.

Leaders also articulate a holistic view of how procurement is changing and shifting within enterprises and how the provider translates that into business value for the client. Clients should insist on a well-rationalized roadmap of the providers' vision for client improvement, including how any changes will affect finance, SCM and other business functions and systems in the procurement continuum.

The standard inclusion of ESG management within procurement services portfolios greatly simplifies clients' ability to meet current and future regulatory needs while advocating, enforcing, and streamlining ESG policy throughout.

Provider Positioning

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	BPO Services – Large Accounts	BPO Services – Midmarket	Transformation Consulting Services – Large Accounts	Transformation Consulting Services – Midmarket
Accenture	Leader	Leader	Leader	Leader
Capgemini	Leader	Product Challenger	Leader	Product Challenger
ChainIQ	Product Challenger	Not In	Contender	Market Challenger
Cognizant	Market Challenger	Market Challenger	Market Challenger	Market Challenger
Conduent	Contender	Contender	Contender	Market Challenger
Corbus	Product Challenger	Leader	Product Challenger	Leader
Corcentric	Product Challenger	Leader	Product Challenger	Leader
Deloitte	Leader	Product Challenger	Leader	Product Challenger
Dragon Sourcing	Contender	Market Challenger	Contender	Contender
EXL	Product Challenger	Product Challenger	Product Challenger	Product Challenger

Provider Positioning

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	BPO Services – Large Accounts	BPO Services – Midmarket	Transformation Consulting Services – Large Accounts	Transformation Consulting Services – Midmarket
Genpact	Leader	Leader	Leader	Leader
GEP	Leader	Leader	Leader	Leader
HCLTech	Leader	Rising Star ★	Leader	Leader
IBM	Leader	Leader	Leader	Leader
Infosys	Leader	Leader	Leader	Leader
LogicSource	Product Challenger	Not In	Product Challenger	Not In
Nexdigm	Product Challenger	Contender	Product Challenger	Product Challenger
Procura Consulting	Contender	Contender	Contender	Contender
Proxima Group	Contender	Market Challenger	Contender	Contender
PwC	Market Challenger	Contender	Market Challenger	Market Challenger

Provider Positioning

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	BPO Services – Large Accounts	BPO Services – Midmarket	Transformation Consulting Services – Large Accounts	Transformation Consulting Services – Midmarket
TCS	Leader	Product Challenger	Leader	Product Challenger
Tech Mahindra	Rising Star ★	Leader	Rising Star ★	Leader
Wipro	Leader	Product Challenger	Leader	Product Challenger
WNS Denali	Leader	Product Challenger	Leader	Rising Star ★
ZER	Product Challenger	Product Challenger	Product Challenger	Product Challenger

Key focus areas of Procurement BPO and Transformation Services for 2023

- **BPO Services – Large Accounts**
- **BPO Services – Midmarket**
- **Transformation Consulting Services – Large Accounts**
- **Transformation Consulting Services – Midmarket**

Simplified Illustration Source: ISG 2023

Definition

Procurement organizations and operations have been transitioning for years from supply management and overseeing transactional activity to a more holistic, participatory role in businesses.

However, still-developing, post-pandemic economic realities are pushing procurement to improve at a faster pace while enabling enterprise transition to more integrative, digitally agile business environments.

This pressure is pushing more enterprises to engage providers of procurement business process outsourcing and digital transformation services. Such engagements typically enable substantial operational improvements and cost savings – as much as 30 percent in the first year. Over the long term, procurement can be transformed to enable sustainable, continuous improvement while providing clear strategic value to the enterprise's ability to do business.

This ISG Provider Lens™ study looks at procurement services providers that support large and midmarket enterprises in two ways:

- Provision of procurement BPO that enables more efficient and sustainable procurement functionality and operation.
- Provision of services that transform existing procurement organizations and operations toward a future-ready, digitally agile status that enables substantially improved, sustainable, and quantifiable business value to the enterprise.

Scope of the Report

This ISG Provider Lens™ study offers procurement decision makers the following:

- Global and market-specific insights regarding Leaders, Rising Stars and Contenders in procurement business process and digital transformation outsourcing
- Differentiated positioning of providers by segments
- Transparency on the strengths and weaknesses of relevant providers

This study provides decision makers with insights and comparative analysis for positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their current vendor relationships and potential new engagements.

Provider Classifications

The provider position reflects the evaluation within defined market segments (quadrants) and always applies to all business sectors and company sizes. In case the service requirements are different and the spectrum of IT providers operating in the local market is sufficiently wide, a further differentiation by performance is made according to the target group for products and services. ISG considers the requirements of the business sector or the number of employees, as well as the corporate structures of the customers, and positions the providers according to their area of interest. As a result, ISG differentiates them, if necessary, into two groups defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between $20 million and $999 million, headquartered in the respective country, usually privately owned.
- **Large accounts:** Multinational companies with more than 5,000 employees or revenues above $1 billion, with worldwide activities and globally distributed decision-making structures.

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four groups (Leader, Product Challenger, Market Challenger, and Contender), and providers are positioned accordingly. Each ISG Provider Lens™ quadrant may include one service provider (or more) that ISG believes has a strong potential to move into the Leader quadrant. This type of provider is classified as a Rising Star.

Number of providers per quadrant: ISG evaluates and places key providers according to the scope of consideration for each study; the number of providers per quadrant is limited to 25, but exceptions may apply.

Provider Classifications: Quadrant Key

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/ services and a follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

★ **Rising Stars** have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not in means the service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.

BPO Services – Large Accounts

Who Should Read This Section

This report is relevant to large enterprises across industries globally for evaluating procurement BPO services.

In this quadrant report, ISG highlights the current market positioning of procurement BPO service providers for large enterprises and how each provider addresses key global market challenges.

Large enterprises focus on leveraging a flexible digital solution that supports market disruptions and efficiently tackles upcoming market dynamics related to inflation, supply chain dislocation and talent shortages. Enterprises require a proactive approach to predict and address growing customer and market demands.

Having multiple legacy systems within large enterprises results in a lack of synergies to streamline different functions and operations. In addition, enterprises face a shortage of strategic category talent to drive business due to the rising shortfall of skilled resources.

Enterprises across the globe want their procurement function to include comprehensive policies, processes, governance and sustainability aligned with best practices, the enabling procurement organization to become a trusted partner.

Procurement organizations and leaders focus more on implementing BPO to begin the digital transformation of procurement. Finance and supply chain management (SCM) organizations and systems are integrated with procurement BPO services to improve efficiency.

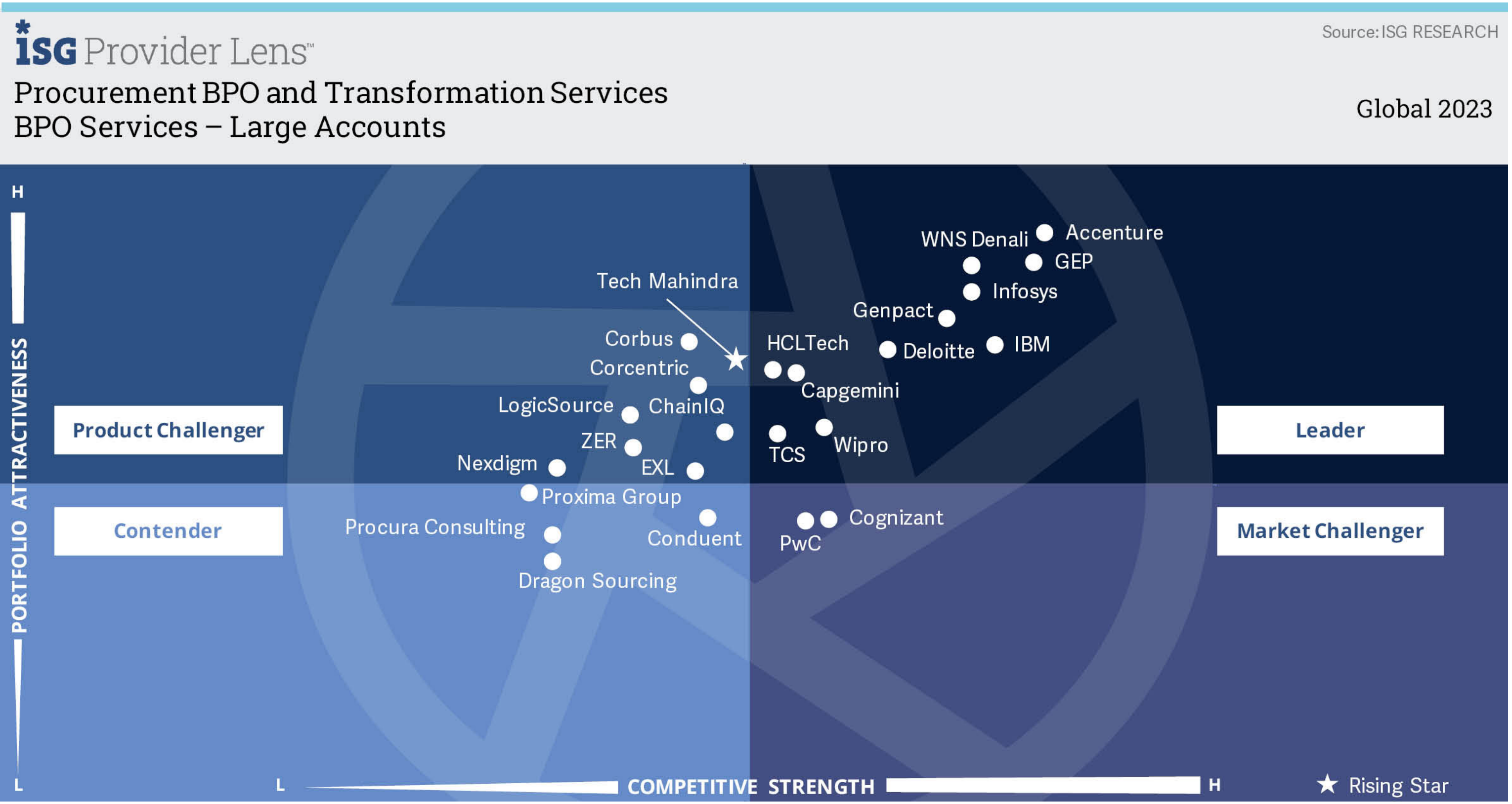
Service providers address the requirements by integrating automation and analytics in outsourcing services. BPO delivers optimized procurement services that deal with operations, interfaces and data that significantly reduce costs and improve operational efficiency.

Procurement professionals should read this report to understand providers’ relative positioning and capabilities to help them effectively plan their strategic capabilities to increase efficiency.

Chief technology officers should read this report to understand the technology landscape in the procurement business and how technologies are leveraged to improve process effectiveness.

Chief procurement officers should read this report to understand the global landscape of procurement BPO service providers and their capabilities to meet the market demands.

Digital professionals should read this report to get deep insight into agile, data-driven digital solutions to meet strategic goals and prepare for dynamic market trends and demands.



This quadrant assesses service providers offering **procurement BPO services for large enterprise clients**. Providers in this quadrant enable client organizations to outsource procurement operations, reduce associated costs, and **enable ongoing gains**.

Bruce Guptill

Definition

Disruptions in global and local production, supply and labor over the past few years have not only led to a re-examination of enterprise procurement but also a rapid acceleration and expansion of procurement outsourcing. Organizations that never consider outsourcing any procurement operations are now investing in procurement BPO as a cornerstone for long-term, strategic business transformation.

Managed procurement BPO services that are well engineered can reduce operational costs significantly. Both clients and providers report first-year operational savings of 20 to 35 percent. Continuing supply chain disruptions make ongoing savings more difficult to quantify, but it is not unusual to see annual operational cost reductions averaging 5 to 10 percent for the first two years after the initial implementation of procurement BPO.

Beyond operational cost savings, procurement BPO also enables significant changes in the procurement structure and management. It has now become a strategic nexus for enterprise finance, supply chain, production, sales, partnership and support organizations.

BPO enables these multiple levels of procurement optimization over the near and long term by identifying, enabling and often enforcing uniformity of operation, interfaces and data. This first takes place within procurement itself and then between procurement, finance, SCM and other critical areas that enable the business function. Hence, data management, integration with other key systems and AI-driven analytics are as important as traditional capabilities (strategic sourcing, category management, account payable support, etc.).

Eligibility Criteria

Eligibility and evaluation criteria for these quadrants include:

1. **Tactical procurement optimization**
    - **Core procurement capabilities** linked to, and adaptable for, current and changing business objectives and outcomes
    - **Improvement of current procurement efficiencies**, including integration of AI with operations and analytics
    - Foundation for **long-term improvement and optimization**
2. Business **disruption management** and minimization
3. Enablement of **procurement operations as managed services**
4. **Advanced analytics with intelligent automation**, including RPA and AI
5. Immediate implementation and availability of **core traditional tools and capabilities**, including:
    - Strategic sourcing
    - Category management
    - Supplier management
    - Demand and specification management
    - Operational purchasing, including bid/spot buy management
    - Catalog management
    - Procurement management scope
    - Technology and support capabilities and offerings
    - Help/buy desk capabilities and offerings
    - Accounts payable processing support

Observations

Providers report significant and continuous growth in their procurement BPO services, engagements and revenues. It has subsided from 2020 and 2021, when 20–30 percent annual growth was not unusual. But most providers indicate that the number of clients they serve and their associated revenues grew between 15 percent and 20 percent from late 2021 through 2022. ISG sees this rate continuing at least through 2023. In short, providers are thriving.

Meanwhile, clients' expectations for the scope of provider procurement BPO services also grow as key technologies and capabilities formerly considered part of procurement transformation services have f become part of BPO offerings.

This shift to include more transformative capabilities occurs for two reasons. First, clients now place greater trust in procurement outsourcing. Second, procurement BPO has become a de facto gateway to digital business transformation for procurement, and increasingly for supply chain management as well. Even clients initially seeking only immediate cost improvement and operational efficiency should consider how their providers' BPO will help transition to truly digital business transformation.

Procurement software platforms are the foundation of effective BPO and eventual transformation. Service providers' capabilities and offerings are tightly integrated with those of marketplace software leaders. Several providers – including some quadrant Leaders – have developed their own software platforms to complicate matters. Clients should therefore look beyond providers' services portfolios and carefully assess which platform capabilities and characteristics are most closely aligned and partnered with the providers.

From the 50 companies assessed for this study, 25 have qualified for this quadrant with 11 being recognized as Leaders and one as a Rising Star.

Accenture retains its leadership position in this market by expanding its practice to integrate procurement and SCM, enhancing category intelligence with predictive analytics, and leveraging its SynOps cognitive platform.

Capgemini has built leadership through its cognitive procurement services and "frictionless enterprise" operating model, with emphasis on procurement enabling clients' revenue beyond traditional cost cutting/spend management.

Deloitte

Deloitte's leadership stems from its coordination and integration of ongoing CPO intelligence and education, integration of procurement services delivery to include its core business consulting expertise, and aggressive pricing strategy.

Genpact positions procurement BPO as a "creative" gateway to future business transformation beyond procurement. Its "operational optimization" is complemented by procurement improvement driven by platform and tail spend needs.

GEP has consolidated its leadership position with rapid growth driven by industry-leading category expertise integrated with its proprietary technology suite.

HCLTech

HCLTech is another leader working to better integrate client procurement with SCM systems, data and operations, albeit more aggressively than most. Its engineering-culture-driven, process-centric approach leverages proprietary tools with adaptive pricing models.

IBM also uses flexible pricing, including gainshare and long-term operational improvement models. But its important strategic move is to include procurement in its finance and supply chain transformation practices and to adapt its offerings to clients' needs.

Infosys recognizes the growing importance of integrating procurement and SCM. Strategic acquisitions and partnerships have improved its capabilities – especially in advanced analytics – and expanded its value to procurement organizations.

TCS demonstrates a strong commitment to ESG and intelligence in procurement BPO. It is also aggressive and highly competitive in pricing models and works with clients to adapt these to clients' needs.

Wipro, like other leaders in this quadrant, strongly emphasizes engagements built on self-funding. It has also greatly enhanced its proprietary procurement platform and announced a new Data Intelligence Suite to extend and improve procurement analytics.

WNS Denali made strategic changes in 2022 that help it maintain a leadership position, including significant acquisitions, extending its critical technology and solution partner ecosystem, and repositioning its CPOTRAC suite as standalone and component offering.

Rising Star **Tech Mahindra** owns a robust and rapidly growing portfolio of proprietary data automation, analytics, and cleansing solutions that enable it to commit to readily quantifiable levels of client improvement.

Infosys

Leader

"With excellent market vision and effective investment in itself and partners, Infosys has made tremendous strides in tackling large, complex engagements with its rapid growth of category expertise supported by its technology DNA."

Bruce Guptill

Overview

Infosys is headquartered in Bengaluru, India, and operates in 54 countries. It has over 345,200 employees across 247 global offices. In FY22, the company generated $16.3 billion in revenue. Infosys BPM reports having nearly 6,500 dedicated source-to-pay professionals and over 260 consultants and technology advisors across more than 20 delivery centers. Infosys manages more than $180 billion in total client spending annually.

Strengths

Securing and leveraging procurement–SCM operational integration: Infosys' approach – like several Leaders in this study – focuses on expansion of direct sourcing and spend management to help clients strengthen their SCM and procurement while improving risk management and enabling better data management and UX uniformity across both disciplines.

Significant acquisitions and partnerships that improve capabilities and opportunities: Infosys' acquisitions over the past year include Wongdoody and Oddity for UX development and improvement, the XtractEdge AI contract analysis platform, Blockchain Sols for supply chain traceability, and BASE life science for market expertise. New partnerships address collaborative procurement, cognitive supply management, next-gen autonomous sourcing, and collaboration with training partners like ISM for upskilling domain expertise. Infosys has also partnered with IBM in a collaborative AI+Automation center of excellence in Poland.

Analytics advancements: Infosys continues to invest in partner and proprietary technologies that advance data management and analytics capabilities critical to procurement improvement. These include investments in its ProcureEdge platform and Live Enterprise decision support suite, as well as the above acquisitions and partner investments.

Caution

Infosys has recently made significant acquisitions as well as advances in its procurement partner ecosystem. Clients should be aware of potential alignment issues as these additions are integrated into procurement services engagements.

BPO Services – Midmarket

Who Should Read This Section

This report is relevant to midmarket enterprises across industries that evaluate providers of procurement BPO services around the world.

In this quadrant report, ISG highlights the current market positioning of procurement BPO service providers for midmarket enterprises globally, and how each provider addresses critical challenges.

Midmarket enterprises have a limited breadth of coverage for sourcing, contract and vendor management for the procurement function. Other concerns include non-compliance due to buy channel issues, tail spend management and missed savings. Due to wider opportunities in large enterprises, talents are scarce for midmarket providers.

Midmarket enterprises focus on reducing the operation cost by limiting the total suppliers' cost to increase savings and reduce procurement cycle time.

Due to the dynamic nature of the market, enterprises seek effective sourcing strategies to improve spend compliance and drive sustainable procurement programs and process harmonization.

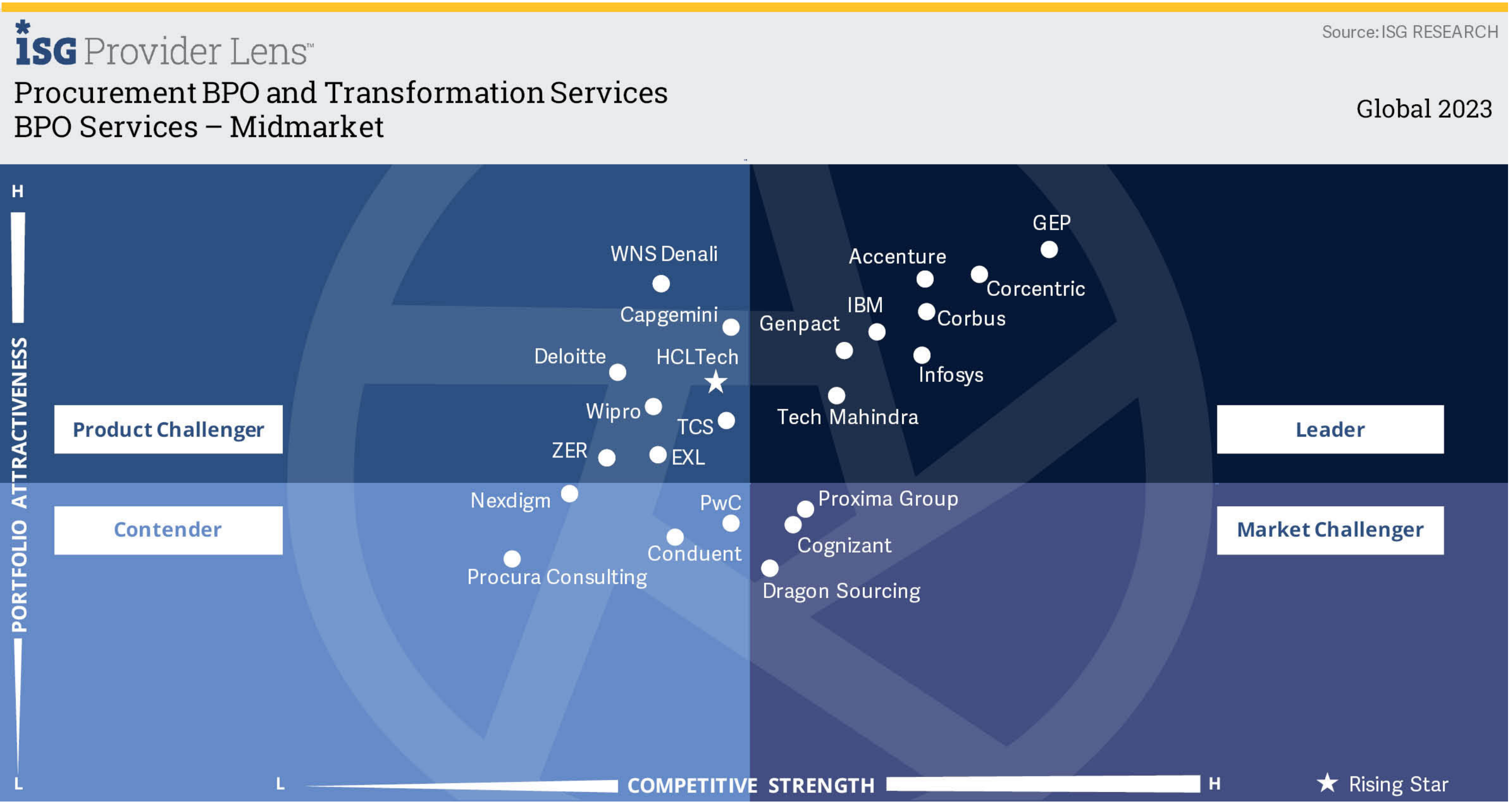
With their understanding of market demands and volatility, service providers leverage analytics and automation to meet the demands while improving visibility across the procurement sub-processes in the BPO outsourcing services. Providers offer multiple flexible pricing models with maximum ROI for clients.

Procurement professionals should read this report to understand providers' relative positioning and capabilities to help them effectively plan their strategic capabilities to increase efficiency.

Chief technology officers should read this report to understand the technology landscape in the procurement business and how technologies are leveraged to improve process effectiveness.

Chief procurement officers should read this report to understand the global landscape of procurement BPO service providers and their capabilities to meet the market demands.

Digital professionals should read this report to get deep insight into agile, data-driven digital solutions to meet strategic goals and prepare for dynamic market trends and demands.



This quadrant assesses service providers that deliver **procurement BPO services for midmarket clients**. Providers in this quadrant enable significant improvement not only in procurement operations but also in **overall client business management**.

Bruce Guptill

Definition

Midmarket enterprises face similar challenges as large firms but tend to have different concentrations of capabilities. Such firms typically have fewer resources available, smaller budgets and often have relatively less complex procurement environments.

However, they tend to change more rapidly and demonstrate increased agility in business planning, operation and management. They are also more aggressive in adopting and adapting emerging technologies and solutions. These firms look for solutions that enable a different scale and pace of economic growth compared to larger firms.

The core procurement BPO evaluation criteria in this quadrant remains the same as for large enterprises. In addition, ISG weighs the relative importance of an adaptable services mix, plus cost effectiveness and client business partnership approaches, while assessing core transformational capabilities with a focus on more rapid business disruptions.

Operational procurement cost savings remain a critical BPO need for midmarket firms. The providers' ability to mitigate and minimize business, finance and supply chain disruption are also pertinent. AI and automation become more important in this segment than for larger enterprises as the pace and impact of procurement accelerate and grow. As with large accounts, data management, integration with other key systems, and AI-driven analytics are key competencies in addition to traditional capabilities such as strategic sourcing, category management, account payable support, etc.

Eligibility Criteria

Eligibility and evaluation criteria for these quadrants include:

1. **Tactical procurement optimization**
   - **Core procurement capabilities** linked to, and adaptable for, current and changing business objectives and outcomes
   - Improvement of current procurement efficiencies, including **integration of AI with operations and analytics**
   - Foundation for long-term improvement and optimization
2. Business **disruption management** and minimization
3. Enablement of **procurement operations as managed services**
4. **Advanced analytics with intelligent automation**, including RPA and AI
5. Immediate implementation and availability of **core traditional tools and capabilities**, including:
   - Strategic sourcing
   - Category management
   - Supplier management
   - Demand and specification management
   - Operational purchasing, including bid/spot buy management
   - Catalog management
   - Procurement management scope
   - Technology and support capabilities and offerings
   - Help/buy desk capabilities and offerings
   - Accounts payable processing support

Observations

We've often stated that BPO is a gateway to long-term transformation in procurement for large enterprises, a first step in the right direction. For midmarket firms, procurement BPO is more of an accelerator for large-scale digital business transformation, including procurement plus finance and supply chain management organizations and operations.

With robust demand for procurement BPO among larger enterprises, ISG sees its much faster adoption by midmarket firms in the next three to five years. Several factors drive this, but three stand out.

First, the immediate business benefits of BPO can be much more impactful for midsized firms, and the long-term operational and compliance benefits of procurement BPO-plus-transformation enable a relatively higher ROI for midmarket firms than larger enterprises.

Second, a need for better ERP and finance capabilities pushes midmarket firms toward procurement BPO (and transformation). Many midmarket legacy ERP and finance systems – including early-generation cloud solutions – that must integrate with procurement cannot keep pace with digital business changes.

Third, midmarket firms that are not (yet) interested in holistic procurement environments are often amenable to BPO services as "point solutions" to address a specific need or set of needs outside of their current capabilities and expertise, such as tail spend management.

The resulting increase in demand for procurement (and ERP and finance) improvement drives even large global service providers to explore opportunities "down-market." They investigate how to better compete in the midmarket, even those that historically have not actively pursued midmarket opportunities. The result is more services providers compete for midmarket business – a net positive for clients seeking or considering procurement BPO.

From the 50 companies assessed for this study, 23 have qualified for this quadrant with eight being recognized as Leaders and one Rising Star.

Accenture continues to leverage its significant global midmarket experience with a market-leading vision for the extended procurement continuum. Its intelligent SynOps platform helps integrate clients' procurement environment, data and operations with other disciplines.

Corbus' focus on the midmarket procurement process and supply chain management helps it to better leverage spend analytics with improved automation and visibility into data – and a unique tail spend-plus-SCM strategy.

Corcentric offers a reasonably unique platform, services, purchasing and payment portfolio for midmarket clients. With a key focus on spend and revenue management for buyers and sellers, Corcentric directs its primary efforts to process and policy optimization.

Genpact strongly focuses on operational optimization that translates well into midmarket client value. It builds procurement BPO around client platforms and tail spend needs while positioning its work as a gateway to future digital business transformation.

GEP builds procurement BPO with SCM optimization on its strong, proprietary platform and software modules. With a focus on autonomous and cognitive sourcing capabilities, GEP leads clients toward "touchless" procure-to-pay operations.

With pricing models that favor client improvement and adapt to midmarket business needs, **IBM** commits to significant savings that enable self-funding for midmarket clients' procurement BPO engagements.

Infosys is another Leader working to consolidate and integrate procurement and SCM operations and data. The company has made significant acquisitions and partnerships to improve these capabilities and expand client support.

Tech Mahindra follows its unique "control tower" approach to consolidate and unify procurement management with visibility into systems and operations, built around proprietary solutions for data automation, analytics and cleansing solutions.

HCLTech's engineering-driven, process-centered approach, automation capabilities, SCM integration, and pricing flexibility position it as a Rising Star for midmarket procurement BPO clients.

Infosys

Leader

"Market vision, continuing investment and partnerships that enhance leading-edge and mainstream capabilities position Infosys as a Leader in procurement BPO services for midmarket clients."

Bruce Guptill

Overview

Infosys is headquartered in Bengaluru, India, and operates in 54 countries. It has over 345,200 employees across 247 global offices. In FY22, the company generated $16.3 billion in revenue. Infosys BPM reports having nearly 6,500 dedicated source-to-pay professionals and over 260 consultants and technology advisors across more than 20 delivery centers. Infosys manages more than $180 billion in total client spending annually.

Strengths

Securing and leveraging procurement–SCM operational integration: Infosys' approach – like several other Leaders in this study – focuses on the extension of direct sourcing and spend management that helps midmarket clients strengthen their SCM and procurement while simultaneously improving risk management – and enabling better data management and UX uniformity across both disciplines.

Significant acquisitions and partnerships that improve capabilities and opportunities: Infosys has made several advances through acquisition over the past year to enhance its portfolio for midmarket clients: UX development and improvement, AI-enhanced contract analysis, blockchain for supply chain traceability and added life sciences market expertise. New partnerships address collaborative procurement, cognitive supply management, next-gen autonomous sourcing, and collaboration with training partners like ISM for upskilling domain expertise.

Analytics advancements: Infosys continues to invest in partner and proprietary technologies that advance data management and analytics capabilities critical to procurement improvement. These include investments in its ProcureEdge platform and Live Enterprise decision support suite, and the above acquisitions and partner investments.

Caution

Infosys has recently made significant acquisitions as well as advances in its procurement partner ecosystem. Clients should be aware of potential alignment issues as these additions are integrated into procurement services engagements.

Transformation Consulting Services – Large Accounts

Who Should Read This Section

This report is relevant to large enterprises across industries globally that evaluate procurement digital transformation services providers.

In this quadrant report, ISG highlights the current market positioning of providers offering procurement digital transformation services to large enterprises globally and how each provider addresses key challenges across regions.

In large enterprises, procurement operations often are done in a silo. This results in inefficiency and inconsistency in the entire process, with increased cost and redundant roles and responsibilities assigned to individuals.

Large enterprises are now inclined to advanced analytics and automation to deliver a seamless end-to-end procurement process. They seek significant change management expertise from transformation service providers, which is now a critical capability.

They also focus on supplier management and cost optimization to improve the stakeholder experience, optimize the procurement process and ensure compliance with local policies and security regulations.

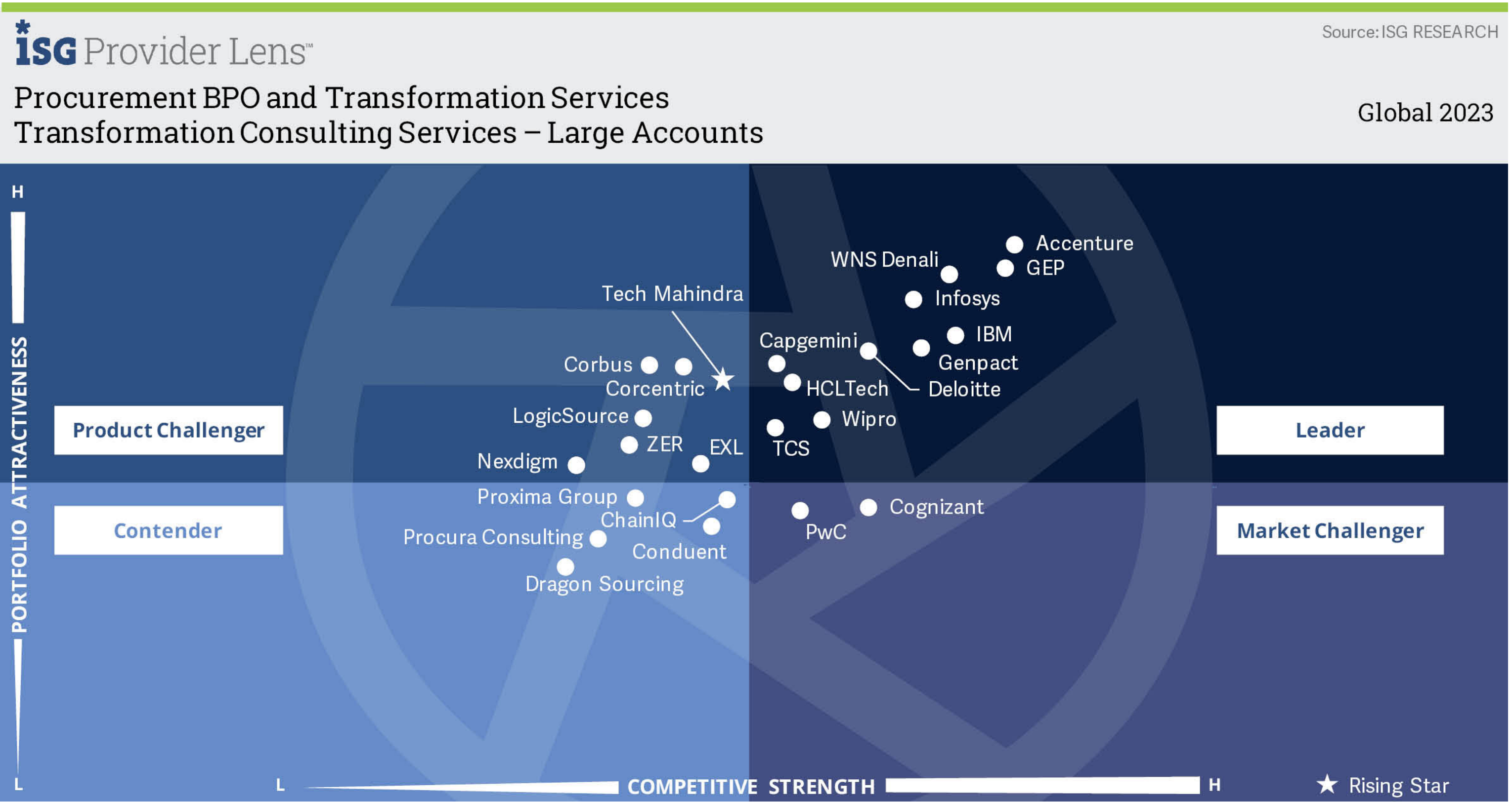
To keep up with market trends and enterprise requirements, service providers conduct detailed assessments of the enterprise's functional maturity in close alignment with the procurement function to suggest areas of improvement. Service providers deliver transformational business services to enterprises while integrating advanced analytics and intelligent automation to optimize cost and operations.

Procurement professionals should read this report to understand providers' relative positioning and capabilities to help them effectively plan their strategic capabilities to increase efficiency.

Chief technology officers should read this report to understand the technology landscape in the procurement business and how technologies are leveraged to improve process effectiveness.

Chief procurement officers should read this report to understand the global landscape of transformation service providers and their capabilities to meet the market demands.

Digital professionals should read this report to get deep insight into agile, data-driven digital solutions to meet strategic goals and prepare for dynamic market trends and demands.



This quadrant assesses service providers that enable and deliver **significant, sustainable digital business transformation** within clients' procurement organizations and operations, aligned with clients' core **business goals and strategy**.

Bruce Guptill

Definition

Digital transformation of procurement is not just about improving procurement operations and organizations to reduce costs and increase efficiencies. Real transformation should be thought of as a reconfiguration, or even reconceptualization, of what procurement's function is and should be.

The organizational and operational structures in use today were conceived around and built for previous-generation financial environments, supplier types, supply chain styles and capabilities, and political and social environments. They can't be optimized to work in an integrated, non-disrupted and cost-effective manner like the latest generation of solutions. Workable patches can be developed and applied to current systems and organizations. However, without transformation, the best possible result will be a well-patched procurement environment rather than one that fluidly adapts to minimize disruption while maximizing financial return.

The most robust procurement environments will adapt to the scope and pace of generational business, technological, and economic and political changes.

Procurement transformation service providers build and continuously adapt their portfolios to enable the best possible results over the longest predictable timeframes. By building on top of longstanding and current organization and management knowledge – including procurement, finance, supply chain, production and all linked operations, they continually integrate new and emerging digital technologies with strategic insights and creative problem-solving skills. The best services providers partner with leading platform vendors to enable the most adaptable, reliable and secure environments over time. However, the true leaders deliver business value that is aligned with a working vision of what procurement is and will be.

Eligibility Criteria

Eligibility and evaluation criteria for these quadrants include strategic, "future-proof" procurement planning, enablement and management services including but not limited to:

1. Procurement and business **strategy development and adaptation**
2. Strategic roadmap development, implementation and adaptation, including **transitioning from current to future procurement** structure and operations
3. **Partnerships** with leading and disruptive procurement solution and tools developers
4. **Advanced analytics** capabilities and utilization
5. **Stakeholder engagement** and involvement
6. **Organizational design and change management**
7. Continuous **process optimization** and management
8. **Cognitive procurement** enablement
9. **Automation strategy, implementation and optimization** approaches
10. **NLP and machine learning integration across the source-to-pay cycle**
11. **Next-generation metrics** and policies support
12. **Training** offerings and capability

Observations

As procurement BPO absorbs many technologies and capabilities that were part of transformation service portfolios, transformation services are now more focused on change management.

The ability to efficiently implement and sustain changes in organizations, operations (including the use of technologies), responsibilities, reporting, relationships, and even culture becomes a primary focus.

The power of procurement to shape how the enterprise does business is growing as more of providers' consulting approach. When BPO is implemented as a gateway to transformation, leaders should drive (and commit to deliver) a seamless transition from BPO into long-term, continual business improvement.

Leaders also articulate a holistic vision of how procurement changes and shifts within enterprises and how the provider translates that into business value. Clients should insist on a well-rationalized roadmap for providers' vision for client improvement, including impacts engendered in finance, supply chain management (SCM) and other business functions and systems in the procurement continuum.

Finally, transformation services should operate on strategies and blueprints that enhance procurement in the continuum/spectrum that stretches inward into finance and ERP and outward into supply chain management. Therefore, key technology capabilities for transformation include expertise in UX, APIs and RPA.

From the 50 companies assessed for this study, 25 have qualified for this quadrant with 11 being recognized as Leaders and one recognized as a Rising Star.

accenture

Accenture integrates category expertise (generating and sustaining industry-leading cost savings) with end-to-end program management ability, which includes change management and acceleration of business innovation.

Capgemini

Capgemini's procurement transformation services enable client revenue enhancement, combining creative digital business thinking with cognitive procurement services.

Deloitte

Deloitte's procurement transformation practice is supported by continuous CPO intelligence and education, which is further advanced through integration with its core business consulting practices and expertise.

Genpact's digital transformation is key to its procurement services strategy, which focuses on end-to-end program and change management driving overall client business innovation.

GEP INSIGHT DRIVES INNOVATION

GEP's procurement transformation consulting services build around the feature-rich capabilities of its own platforms to deliver significant, value-added digital transformation for client procurement and SCM organizations.

HCLTech

HCLTech excels at leveraging procurement BPO as a foundation for digital transformation. It is one of several Leaders emphasizing supply-chain management transformation with procurement transformation.

IBM

IBM advances its leadership position in procurement transformation consulting with a significant strategy refresh, a transformation of its own services approach, and a renewed commitment to clients' business growth.

Infosys has been building and bringing together more wide-ranging expertise through partnerships and acquisitions to improve key capabilities such as category management to drive clients' business growth and change.

TCS's Cognix AI human–machine collaboration suite and ignio cognitive automation software enable exceptional data analytics and automation capabilities that are cornerstones of sustainable, continuously-improving procurement transformation.

Wipro's strategic procurement transformation approach includes extending clients' source-to-pay (S2P) environments into SCM and finance environments via improved BPO – something that ISG sees as critical to long-term, sustainable digital transformation.

WNS Denali has one of the strongest strategic focuses on transforming procurement organizations, operations and data into strategic client business resources. Its go-to-market approach is to "lead with digital transformation."

Rising Star **Tech Mahindra** continues to invest in and improve the breadth and depth of its procurement transformation services portfolio. Building blocks include procurement management consolidation and unification, enabled by robust data analytics.

Infosys

Leader

"Market vision and continuing investment in advanced data analytics, inter-practice expertise sharing, and expanding partner ecosystem capabilities position Infosys as a Leader in procurement digital transformation consulting services."

Bruce Guptill

Overview

Infosys is headquartered in Bengaluru, India, and operates in 54 countries. It has over 345,200 employees across 247 global offices. In FY22, the company generated $16.3 billion in revenue. Infosys BPM reports having nearly 6,500 dedicated source-to-pay professionals and over 260 consultants and technology advisors across more than 20 delivery centers. Infosys manages more than $180 billion in total client spending annually.

Strengths

Bringing together more expertise: In addition to significantly increased investments in consulting skillsets within its procurement teams, Infosys has improved and streamlined interaction and coordination with its diverse industry and domain consulting practices. This helps it to deliver advanced expertise in areas such as supplier management, talent management and risk management.

Analytics advancements: Infosys continues to invest in partner and proprietary technologies that advance data management and analytics capabilities critical to procurement transformation. These include investments in its ProcureEdge platform and Live Enterprise decision support suite, acquisitions and partner investments.

Significant acquisitions and partnerships that improve capabilities and opportunities: Infosys' acquisitions over the past year include Wongdoody and Oddity for UX development and harmonization, the XtractEdge AI contract analysis platform, Blockchain Sols for supply chain traceability and BASE life science for market expertise. New technology partnerships address collaborative procurement, cognitive supply management, next-gen autonomous sourcing, and collaboration with training partners like ISM for upskilling domain expertise. Infosys has also partnered with IBM in a collaborative AI+Automation center of excellence in Poland.

Caution

Infosys has recently made significant acquisitions as well as advances in its procurement partner ecosystem. Clients should be aware of potential alignment issues as these additions are integrated into procurement services engagements.

Transformation Consulting Services – Midmarket

Who Should Read This Section

This report is relevant to midmarket enterprises across industries globally for evaluating providers that offer digital transformation services.

In this quadrant report, ISG highlights the current market positioning of providers that offer procurement digital transformation services to midmarket enterprises worldwide and how each provider addresses key challenges across regions.

The hard reality is midmarket enterprises face outdated methods for sourcing, contracting and managing operations, which causes a lot of difficulties in streamlining the process across the organization. These companies have no control over future spend and have limited established compliance with procurement strategies. They also lack skilled procurement professionals to sustain a successful digital transformation across processes.

Midmarket enterprises focus on establishing a centralized procurement system to improve their end-user satisfaction rates and supplier strategies. Another focus area is to deliver sustainable procurement services that adhere to compliance and guidelines.

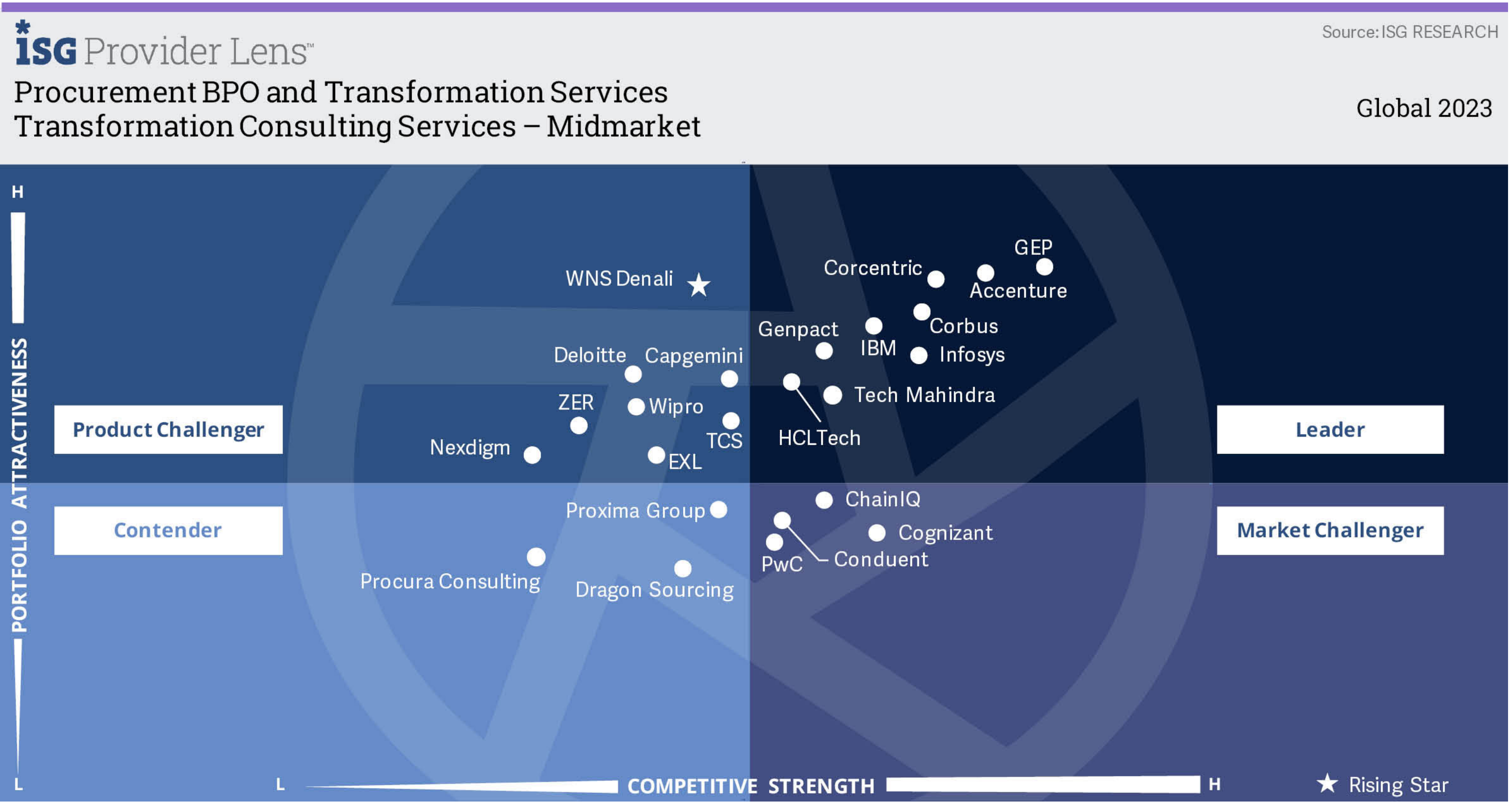
Service providers support these enterprise clients by establishing a new operating model based on category complexity and linking it to the team member's tenure. They help to enhance client applications and enable progress updates to active contracts every week. Enterprises are further provided with project-tracking tools to manage stakeholder engagements.

Procurement professionals should read this report to understand providers' relative positioning and capabilities to help them effectively plan their strategic capabilities to increase efficiency.

Chief technology officers should read this report to understand the technology landscape in the procurement business and how technologies are leveraged to improve process effectiveness.

Chief procurement officers should read this report to understand the global landscape of transformation service providers and their capabilities to meet the market demands.

Digital professionals should read this report to get deep insight into agile, data-driven digital solutions to meet strategic goals and prepare for dynamic market trends and demands.



This quadrant assesses service providers that enable and deliver procurement **operation and organizational transformation** that helps improve midmarket clients' ability to manage and minimize disruption from **critical vendors and suppliers**.

Bruce Guptill

Definition

As in the case of procurement BPO, midmarket firms face procurement transformation challenges similar to those faced by large enterprises. They also tend to require different concentrations of capabilities. Such firms typically have fewer resources available and smaller budgets and often have relatively less complex procurement environments. Therefore, they often require a more defined, standardized and controlled procurement environment to sustain compliance and efficiency.

Furthermore, midmarket firms tend to be more agile and aggressive in adopting and adapting emerging technologies and solutions. As a result, they frequently encounter more business and technology changes (and disruptions) at a quicker rate than larger enterprises. They also look for solutions that enable a different scale and pace of economic growth.

The core evaluation criteria thus remain the same as for large enterprises; in addition, ISG also looks at the relative importance of scale, concentration, cost effectiveness and adaptability of services offered for midmarket firms.

At the bottom line, ISG's assessments of providers offering procurement digital transformation services focus less on technologies and functions, and more on forward thinking, strategic vision and the actual value delivered to clients in line with that vision. Transformation is about change and improvement with technology – not technology itself.

Eligibility Criteria

Eligibility and evaluation criteria for these quadrants include strategic, future-proof procurement planning, enablement and management services including, but not limited to:

1. Procurement and business **strategy development**, which is easily adaptable to rapidly changing business environments, and to less predictable client resource availability
2. **Strategic roadmap** development, implementation and adaptation, including transitioning from current to future procurement structure and operations
3. **Partnerships** with leading and disruptive procurement solution and tool developers
4. **Advanced analytics** capabilities and utilization
5. **Stakeholder engagement** and involvement
6. Organizational design and **change management**
7. Continuous **process optimization** and management
8. **Cognitive procurement enablement**
9. **Automation strategy**, implementation and optimization approaches
10. **NLP and machine learning integration** across the source-to-pay (S2P) cycle
11. **Next-generation metrics** and policies support
12. **Training** offerings and capability

Observations

For most midmarket firms, the integration of procurement transformation and BPO occurs more rapidly than for large enterprises. Service providers' procurement BPO offering portfolios have expanded to include most technologies and capabilities that were once part of transformation services portfolios. A swift rise in the integration of procurement with finance and SCM resources, organizations and operations in midmarket firms adds momentum to this overall transformation trend.

As a result, organizational and operational changes – in procurement and all associated functional areas – cause more impact sooner in midmarket firms than in most large enterprises. Change management consulting and advisory offerings are therefore even more critical in providers' midmarket procurement transformation portfolios.

Expertise in organizational and operational change enables some of the biggest business consulting and services firms to pursue midmarket clients. Midmarket firms make up more than a quarter of Accenture's procurement services client base. Providers such as Genpact and IBM, which built massive and complex sourcing and procurement capabilities for themselves, Fortune 500 firms, and large government organizations, successfully translate their expertise into midmarket services.

Beyond change management expertise, midmarket firms need more intelligently automated data analysis and function/task operations. More accurate data integrated with decision-making helps to overcome a relative lack of human resources. They also help to better anticipate and mitigate supply chain/vendor interruptions that might cause only a little disruption for larger enterprises but could bring about devastation to midmarket businesses.

From the 50 companies assessed for this study, 24 have qualified for this quadrant with nine being recognized as Leaders and one recognized as a Rising Star.

accenture

Accenture is typically considered most suited for large enterprise markets, but midmarket clients account for more than one-quarter of its business. Accenture's transformation strategy includes the extended finance-procurement-SCM continuum.

CORBUS A Soin Company

Corbus is one of the few Leaders in this study almost completely focused on midmarket procurement process and supply chain management. Its unique tail spend-plus-SCM procurement approach delivers immediate savings while enabling long-term digital transformation.

corcentric

Corcentric's unique platform, services and payment portfolio – and focus on simplifying and cleaning up processes and policies – help midmarket clients transform procurement more rapidly than most other providers.

Genpact's strong focus on client organizational and operational optimization translates well into midmarket client value. The firm positions its procurement BPO as a "creative" gateway to digital transformation, enabling new ways of doing business in new markets.

GEP builds its transformation services on its proprietary procurement platform suite, which includes solutions for procurement, supply chain management (SCM) and cognitive data analytics and management.

HCLTech is exceptionally responsive to changing market and technology conditions and client needs – an important trait for midmarket clients subject to significant market and business changes.

IBM is another Leader strategically integrating procurement consulting with its finance and SCM practices, which it has enhanced with an expanded focus on client user roles and business personae. Its transformation engagements begin with clients' user environments and experiences.

Infosys' holistic market vision, continuing investment in leading-edge and mainstream capabilities, and expanding services partner ecosystem position it as a leader in procurement digital transformation consulting services.

Tech Mahindra is a leader in procurement transformation services for midmarket firms due not only to its robust portfolio but also to its commitment to measurable and sustainable client operational and bottom-line improvement.

Rising Star **WNS Denali** is one of the strongest Leaders in procurement BPO and transformation for large enterprises. While it does not currently pursue midmarket business, its portfolio and expertise are extremely well-suited to deliver success there.

Infosys

Leader

"Market vision and continuing investment in advanced data analytics, inter-practice expertise sharing and expanding partner ecosystem capabilities position Infosys as a Leader in procurement transformation consulting services."

Bruce Guptill

Overview

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Strengths

Analytics advancements: ISG clients know that ISG sees data utility, including analytics, as key to digital transformation. Infosys invests in partner and proprietary technologies that advance its data management and analytics to enable more impactful procurement transformation. These include investments in its ProcureEdge platform and Live Enterprise decision support offerings, acquisitions and partner investments.

Bringing greater expertise to bear: Besides improving consulting skillsets within its procurement teams, Infosys has streamlined interaction and coordination with its diverse industry and domain consulting practices to deliver advanced expertise in supplier management, talent management and risk management for midmarket clients.

Significant acquisitions and partnerships that improve capabilities and opportunities: Recent Infosys' acquisitions include Wongdoody and Oddity for UX improvement, the XtractEdge AI contract analysis platform and Blockchain Sols for supply chain traceability. New partnerships address collaborative procurement, cognitive supply management, next-gen autonomous sourcing, and collaboration with training partners like ISM for upskilling domain expertise. Infosys has also partnered with IBM in a collaborative AI+Automation center of excellence in Poland.

Caution

Infosys has recently made significant acquisitions as well as advances in its procurement partner ecosystem. Clients should be aware of potential alignment issues as these additions are integrated into procurement services engagements.

Appendix

The ISG Provider Lens 2023 – Procurement BPO and Transformation Services research study analyzes the relevant software vendors/service providers in the Global market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

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The research and analysis presented in this report includes research from the ISG Provider Lens program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of February 2023, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars ($US) unless noted.

The study was divided into the following steps:

1. Definition of Procurement BPO and Transformation Services market
2. Use of questionnaire-based surveys of service providers/ vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. Use of Star of Excellence CX-Data
6. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
7. Use of the following key evaluation criteria:
   * Strategy & vision
   * Tech Innovation
   * Brand awareness and presence in the market
   * Sales and partner landscape
   * Breadth and depth of portfolio of services offered
   * CX and Recommendation

Lead Analyst

Bruce Guptill

Distinguished Analyst and Executive Advisor

Bruce Guptill brings more than 30 years of technology business and markets experience and expertise to ISG clients. Bruce has helped develop and lead ISG's enterprise research development and delivery, global ISG Research operations, and Research client support. His primary research and analysis for ISG clients has focused on IT services market development, disruption, adaptation and change. He currently leads U.S. Public Sector research for ISG's Provider Lens global research studies, and also leads IPL studies in procurement and software vendor partner ecosystems.

Bruce holds a Masters' degree in Marketing and Finance, and a B.A. combining business and mass media communication psychology. He also holds certifications in a wide range of software, hardware, and networking technologies, as well as in mechanical and electrical engineering disciplines.

Research Analyst

Sneha Jayanth

Senior Research Analyst

Sneha Jayanth is a senior research analyst at ISG. She supports and co-authors Provider Lens™ studies on contact center, healthcare digital services, healthcare platform studies and procurement services/platforms. She also provides enterprise perspectives and contributes to global summary reports. For ISG clients, Sneha offers expertise in technology, business and market research.

She previously worked with a research firm specializing in IoT, cloud, AI and analytics, delivering market intelligence and authoring reports. In various consulting projects, Sneha conducted market research, analyzed data, and collaborated with internal stakeholders to provide deep market insights to the clients.

IPL Product Owner

Jan Erik Aase

Partner and Global Head – ISG Provider Lens™

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a partner and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

ISG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this webpage.

ISG Research™

ISG Research™ provides subscription research, advisory consulting and executive event services focused on market trends and disruptive technologies driving change in business computing. ISG Research™ delivers guidance that helps businesses accelerate growth and create more value.

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ISG

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 900 clients, including more than 75 of the world's top 100 enterprises, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis.

Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,600 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.

For more information, visit isg-one.com.

ISG Provider Lens™

APRIL, 2023

REPORT: PROCUREMENT BPO AND TRANSFORMATION SERVICES