Everest Group®

Everest Group Procurement Outsourcing (PO) – Services PEAK Matrix® Assessment 2023

Focus on Infosys
November 2023

Everest Group PEAK MATRIX®

Background and scope of the research

Given the macroeconomic uncertainty and inflationary pressures, cost reduction continues to be a priority for procurement organizations. However, there is an increased focus on digital enablement and delivering value beyond savings by enhancing efficiency and productivity and improving business outcomes. While organizations have been engaging with PO service providers to reduce costs and drive efficiencies in operations, service providers are building domain expertise in strategic areas along with digital transformation capabilities to drive value acceleration for organizations. Service providers are offering a comprehensive procurement digital ecosystem with advanced technology capabilities comprising end-to-end platform solutions, best-of-breed suites, and point solutions by leveraging in-house capabilities, partnership ecosystems, and targeted investments. Leading providers are also investing in developing capabilities and solutions in emerging areas such as sustainability and risk management to help procurement incorporate responsible/sustainable sourcing practices across the value chain and manage supplier risks. Some providers are also expanding their expertise and capabilities in direct spend categories in addition to indirect spend.

The PO provider landscape consists of a spectrum of providers including specialist providers, pure-play procurement and SCM-focused providers, broad-based BPS providers, and IT and BPS providers. In this research, we present an assessment of 23 PO service providers featured on the [Procurement Outsourcing (PO) – Services PEAK Matrix® Assessment 2023](#). Given the increased extension of PO engagements in upstream procurement areas, we have also assessed 21 PO service providers on their Source-to-Contract (S2C) capability and featured them on the S2C Services PEAK Matrix®. The assessment is based on Everest Group's annual RFI process for the calendar year 2023, interactions with leading procurement service providers, client reference checks, and ongoing analysis of the PO services market.
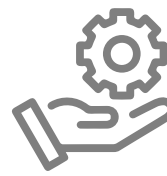
In the full report, we analyze the global PO service provider landscape and assess 23 PO service providers. We focus on:

- PO services PEAK Matrix 2023
- S2C services PEAK Matrix 2023
- Service provider capability assessment
- Observations and comments on individual service providers
- Enterprise sourcing considerations

Scope of this report

Geography
Global

Providers
23

Services
Procurement

Procurement Outsourcing (PO) – Services PEAK Matrix® characteristics

Leaders

Accenture, Genpact, GEP, IBM, Infosys, and TCS

- Leaders strengthened their position in the PO market and achieved significant growth in 2022
- They have enhanced their end-to-end Source-to-Pay (S2P) capabilities through continued investments in their advisory practices, domain and category expertise, along with advanced digital capabilities that enable them to drive large-scale, end-to-end transformation of procurement operations
- They are building a unified umbrella of offerings by integrating services and technology solutions (in-house and partnerships) as part of their platform solutions
- Leaders are increasingly developing capabilities to support organizations in emerging areas such as Environment, Social, and Governance (ESG) initiatives, risk management, and direct spend management
- They also leverage their scale of operation and wide delivery presence to cater to the clients' varied strategic requirements

Major Contenders

Capgemini, Chain IQ, Cognizant, Corbus, Corcentric, Exela Technologies, EXL, HCLTech, LogicSource, Tech Mahindra, Wipro, and WNS

- Major Contenders are investing in focused digital solutions and capabilities across S2P to plug existing gaps, which enables them to provide a wide range of procurement services across different geographies and industry segments
- Many of the Major Contenders are also investing to enhance their capabilities in areas such as ESG initiatives as well as risk management
- Many of these providers have developed modular solutions to address specific client requirements and provide high-level of flexibility in pricing and engagement models

Aspirants

Aquanima, Datamatics, Dragon Sourcing, Nexdigm, and Velocity Procurement

- These are specialist providers focused on specific procurement and sourcing services, vertical(s), or buyers, and have a relatively small scale of procurement operations
- While they have developed some digital capabilities and offer innovative models of delivery, they have limited scale and digital maturity to cater to the requirements of large global buyers looking for end-to-end transformation

Everest Group PEAK Matrix®
Procurement Outsourcing (PO) – Services PEAK Matrix® Assessment 2023 | Infosys is positioned as a Leader

Everest Group Procurement Outsourcing (PO) – Services PEAK Matrix® Assessment 2023[1]
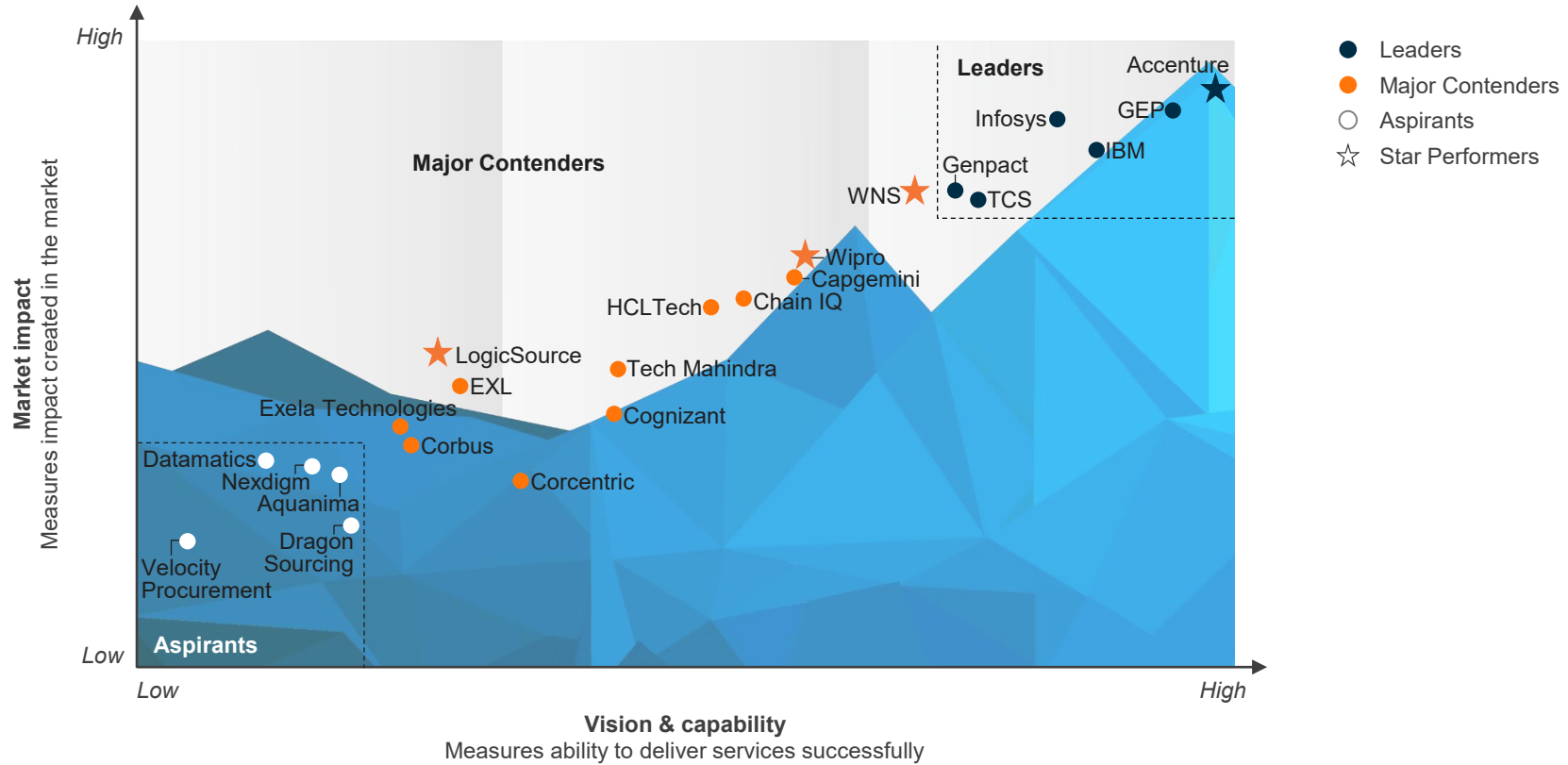
1   Assessments for Aquanima, Capgemini, Cognizant, Corcentric, and Exela Technologies excludes service provider inputs and are based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with PO buyers
Source: Everest Group (2023)

Infosys profile (page 1 of 7)
Capabilities

Key leaders

- **Srikrishna Koneru,** AVP, Strategic Business Practice Head, Global S2P Services Head
- **Andrew Jarvis,** AVP, Business Head, Infosys Portland
- **Shinichiro Nagagata,** Chief Executive Officer, HIPUS (Hitachi Procurement Services)

PO service suite

Infosys' services are well-integrated as **One Infosys** that offers end-to-end source to pay capabilities across consulting, S2P operations, and technology. With its 6,500+ FTE-strong domain expertise and global delivery capabilities, backed by a comprehensive technology and digital suite of solutions such as ProcureEdge, advanced analytics, category control tower, AP on cloud, and multiple AI-/ML-based proprietary and partner-led solutions, Infosys supports more than 250 clients across the globe.

- **Strategy and consulting:** It offers consulting and advisory services across a wide spectrum of requirements ranging from procurement and digital strategy – design and execution, category strategy and management, strategic sourcing, ESG enablement, predictive analytics and diagnostics, organization/process restructuring, and operating model design. In addition, Infosys supports opportunity assessment and value delivery programs, capability development and training, risk and compliance management, and stakeholder management for multiple clients
- **S2P services:** It offers a range of services, which include category management, strategic sourcing, sourcing execution (RFX management), contract management, supplier risk and performance management, spend analytics and opportunity assessment, market intelligence and supply risk management, should cost modeling, responsible sourcing, ESG compliance and diversity spend management, and other value delivery programs. Additionally, Infosys has well- equipped CoEs across procurement and categories and digital practices across India, Poland, the US, and China
- **Technology and digital transformation:** It enables new performance frontiers through services such as digital strategy – design, execution, and change management, ERP implementation, integration including technology selection and optimization, cognitive/digital and hyper-personalized user experience design, and digital solutions such as ProcureEdge with digital category and risk management, tail spend and autonomous sourcing, product cost optimization platform, data intelligence, category intelligence, risk management, and ESG intelligence cloud solutions backed by technologies such as AI/ML, blockchain, and others

Category expertise:

A global team of 1,500+ sourcing and category experts for direct and indirect procurement, category councils across key categories, and a strong suite of category management services. Its category strategy and execution are backed by AI-based advanced analytics solutions.
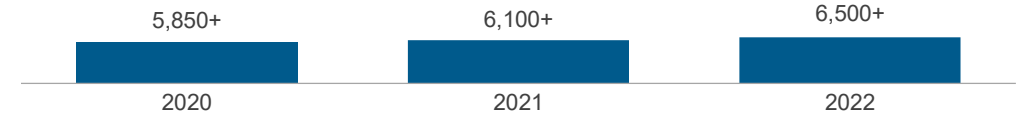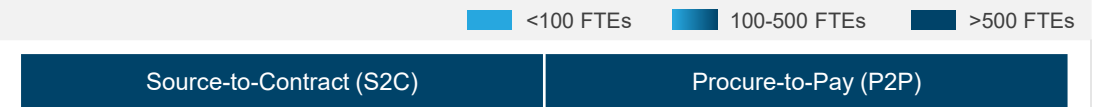
Spend managed for external clients
US$190 billion

1   Include accounts payable and invoice processing FTEs

Scale of operations

Number of PO FTEs[1] over time

2020	2021	2022
5,850+	6,100+	6,500+

FTE mix by process scope

■ <100 FTEs	■ 100-500 FTEs	■ >500 FTEs

Source-to-Contract (S2C)	Procure-to-Pay (P2P)

Key PO-related developments

- **2022:** It developed digital category management capabilities through proprietary and partnered solutions. These capabilities include a Category Control Tower, a collaborative strategic procurement platform, a cognitive end-to-end supply management platform, and a next-generation autonomous sourcing platform
- **2022:** developed an in-house, customized HIPUS spend analytics platform exclusively for the Japanese market, specifically addressing the unique needs of Japanese firms
- **2022:** developed and upgraded Infosys' proprietary platform, ECOWATCH, for ESG data and analytics, as well as reporting
- **2022:** It inaugurated a state-of-the-art Center of AI and Automation in Poland in collaboration with IBM. This center showcases a growing portfolio of data and AI solutions that are designed to automate and accelerate the hybrid cloud journey of global enterprises
- **2022:** acquired Base Life Science, a leading technology and consulting firm in the life sciences industry in Europe
- **2022:** introduced a blockchain solution that offers supply chain traceability as a capability to attain several business KPIs with AWS, with a specific focus on the government and life sciences verticals
- **2021:** implemented a live enterprise-autonomous, cognitive solution with end-to-end accountability, visibility, and actionability across Source-to-Pay (S2P) processes

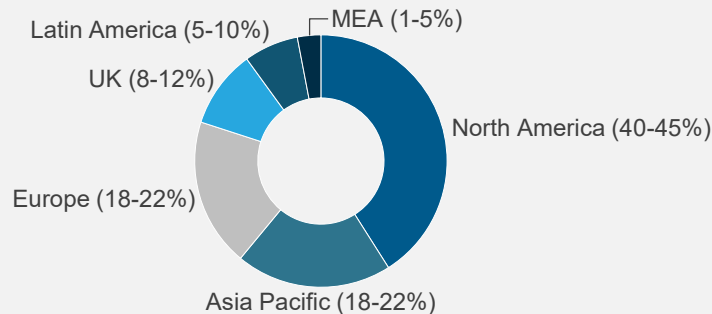# Infosys profile (page 2 of 7)
Client portfolio

Major PO clients

The Infosys client base includes some of the world's largest producers of gold, an American multinational conglomerate, a leading mining company, a global broadband and telecommunications company, a global IT giant, a leading Anglo-Dutch consumer goods company, an American post-trade financial services company, and the world's oldest operating chemical and pharmaceutical company.
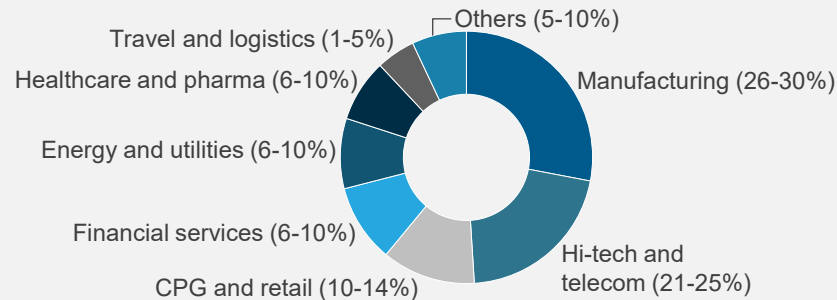
Recently-announced multi-process PO engagements

Time of signing	Clients	Contract details
November 2022	A leading French transport and shipping company	Category management and digital support
September 2022	An American multinational beverage corporation	Category management, value delivery, and operating value design
July 2022	A Middle East giga project	Operating module design, value delivery programs, indirect spend management, and contract management
July 2022	An American pharmaceutical company	Ariba support and digital transformation
July 2022	A global leader in high-power turbochargers for mission-critical applications	Transactional procurèrent, MDM, and contract administration
July 2022	An American provider of specialty chemicals for transport and consumer products	Transactional support for IT, marketing, and MRO/catalog
June 2022	An American multinational medical devices and healthcare company	Value delivery programs and indirect spend management
May 2022	An American multinational technology conglomerate	Sourcing services, category management analytics, market intelligence, and ESG support and managed services

PO revenue mix by buyer geography (2022)

- Latin America (5-10%)
- MEA (1-5%)
- UK (8-12%)
- North America (40-45%)
- Europe (18-22%)
- Asia Pacific (18-22%)

PO revenue mix by buyer industry (2022)

- Travel and logistics (1-5%)
- Others (5-10%)
- Healthcare and pharma (6-10%)
- Manufacturing (26-30%)
- Energy and utilities (6-10%)
- Financial services (6-10%)
- Hi-tech and telecom (21-25%)
- CPG and retail (10-14%)

Number of clients by buyer size[1] (2022)

- SMBs (16-20%)
- Large (60-65%)
- Mid-market (20-25%)
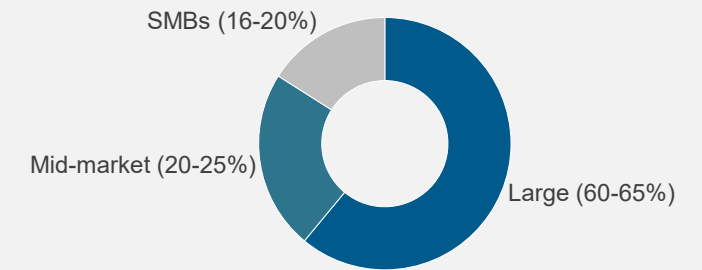
1   Large buyers (revenue >US$5 billion), mid-market buyers (revenue US$1-5 billion), and SMB buyers (revenue <US$1 billion)

Infosys profile (page 3 of 7)
Key delivery locations

Infosys profile (page 4 of 7)
Technology solutions

Part of ProcureEdge – Infosys' integrated suite of S2P digital solutions			
Technology solutions	**Data hub or procurement insights**	**Intelligence hub / Category control tower**	**Digital /Experience hub enabled with guided buying and autonomous sourcing solutions:**
Solution description	It connects all the disparate data silos, reconciles multiple versions of truth, and harmonizes/standardizes data for more accurate spend classification. With the help of AI-enabled spend classification, it provides complete visibility of the spend data while preparing the data for further analytics.	It focuses on merging internal procurement data with external market data, such as benchmarks, industry trends, and geopolitical news, to provide holistic category and risk insights across the value chain. With the help of an AI-based opportunities framework and the recently added digital category collaboration enabled by partner solution Akirolabs, the category control tower further enhances decision-making for category managers and strategic sourcing teams. It provides a mechanism to develop online strategies and translates them into curated savings opportunities across the board.	It provides automated user experience to improve compliance, boost productivity, and create a more simplified, self-served, and intuitive buying experience.
Process scope	• Automated data management includes ingestion, cleansing, normalization, and classification • ML-based automated spend classification	• Spend insights • Market and risk insights • Category insights • Contract insights • Supplier insights • Opportunity identification • Opportunity assessment • Project management	• Cognitive procurement • Recommendations across the value chain • Conversational digital assistant • Intelligent routing for buying channels • Sourcing project management
Technology leveraged	Partnered with Infosys' proprietary technology solutions[1] such as BVD, Tableau, Sievo, Creatives, Fairmarkit, and others along with ERPs such as SAP, SAP Ariba, Coupa, and Oracle		
Delivery model and pricing	• Subscription-based • On-premise stand-alone license, pre-built solution into existing software, and as-a-managed service • Cloud-as-a-service model integrated with existing software • Modular pay-as-you-go license fee model and managed fees		

1 Above list includes – subcons, reselling arrangements, licensing agreements, MSA, and active NDAs for pursuing joint GTM opportunities, etc.

Infosys profile (page 5 of 7)
Technology solutions

integrated suite of S2P digital solutions										
Technology solutions	**Procurement Live Enterprise**	**Human Experience UX by Wongdoody**	**Data analytics and strategy**	**Product Cost Optimization (PCO)**	**Xtract Edge**	**E-marketplace via HIPUS**	**Accounts Payables On Cloud (APOC)**	**Process mining**	**Robotic-led Automation (RPA)**	**Blockchain**
Solution description	It is an integrated digital offering using the live enterprise ecosystem and integrating components of ProcureEdge, blockchain, and other technologies.	It is a human-centric experience design methodology that goes beyond the business and supplier human experience layer across the Source-to-Pay (S2P) processes.	It includes key solutions such as CPO dashboards, buy channel optimization, contract and compliance, price optimization, tail spend analytics, and payment analytics.	It is a modular solution for processing material prices, zero-based budgeting, and cost modeling.	It is a proprietary solution that leverages advanced AI/ML techniques to turbocharge the process of analyzing and reviewing contracts.	• e-Marketplace /catalog solution across direct and indirect categories – (Hitachi e-Sourcing Mall via HIPUS). • Developed an in-house customized HIPUS spend analytics platform	It is an interactive and ML-based solution that offers E2E solutions across AP • On-time, accurate, and automated processing • Multi-stakeholder visibility and actionable insights	• It is a platform to scale the adoption of SAP S/4HANA and SaaS platforms by transforming ERP modernization and business process optimization. • Assist edge discover is a process mining solution in S2P area	The key automation capabilities focus on simplifying procurement processes for the end-user, while making them cognitive and intuitive.	Blockchain solutions across supply chain with built-in use cases for procurement, contract management, and invoicing
Process scope	End-to-end process Enablement	Communication platform between customer, employee and partners	Strategy via data analytics	Sourcing strategy	Contract lifecycle management	Aggregation of spend for select categories/ commodities across different clients	Accounts payable	AI-enhanced process mining and process excellence software	Tactical sourcing	Communication platform between buyer, supplier, and MSPs
Technology leveraged	Infosys' proprietary technology bundled with partners and alliances[1] such as MetricStream, Levadata, Akirolabs, Aerchain, Tealbook, Globality, IBM Watson, Microsoft Dynamics, Tradeshift, Xelix, Oracle, SAP, Coupa, Arria, BVD, Blue Prism, Automation Anywhere, UI Path, LogMe In, Sievo, Hyper Ledger, Ethereum, Digital Assets, Leonardo, Samsung, Guardtime, Bita, Consensys, Trintech, High Radius, Adaptive Insights, NetSuite, Costimator, aPriori, and Seer										
Delivery model and pricing	• Subscription-based • On-premise stand-alone license, pre-built solution into existing software, and as-a-managed service • Cloud-as-a-service model integrated with existing software • Modular pay-as-you-go license fee model and managed fees										

1   Above list includes – subcons, reselling arrangements, licensing agreements, MSA, and active NDAs for pursuing joint GTM opportunities, etc.

Infosys profile (page 6 of 7)
Everest Group PO assessment – Leader
Everest Group S2C assessment – Leader

Measure of capability: ◔ Low ● High

	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
PO	◕	◕	◔	◕	◕	◕	◕	◕	◕
S2C	◕	◕	◔	◕	◕	◕	◕	◕	◕

Strengths

- Infosys leverages its strong technology capabilities and deep domain expertise across the S2P value chain to offer a comprehensive suite of solutions to drive transformation of clients' procurement operations
- It provides great flexibility to clients through its delivery and engagement models. Clients appreciate its flexibility in commercial constructs and consistent service delivery
- It has enhanced its category expertise through managing large volumes of spend supported by a skilled talent pool comprising experts across indirect and specific direct spend categories. Its data analytics and category control tower capabilities provide integrated insights to help clients in building category strategies and executing sourcing projects
- Infosys continues to enhance its procurement digital ecosystem through strengthening proprietary solutions including cognitive platforms to complement its third-party partners' capabilities. Its approach to integrate people, technology, and operations is supported by its cognitive Live Enterprise model
  – ProcureEdge, a cognitive procurement intelligence platform with data management and analytics capabilities across spend, category, and contracts along with cognitive buying assistant functionality
  – XtractEdge, a category control tower and contract management solution with capabilities such as Intelligent Document Processing (IDP) and AI-/ML-based analytics
  – AssistEdge Discover, its process mining enabler to identify scope for further automation across P2P
  – NIA, a tool to enable data aggregation and intelligent automation
- It has a wide range of third-party partnerships focused on developing technology capabilities across the S2P value chain and enabling digital transformation of client procurement operations
  – Partnered with Aerchain to develop an AI-based sourcing solution and Akirolabs for cognitive intelligence-based category management capabilities
  – Collaborated with IBM Watson to establish an AI and automation CoE
  – Other partnerships include procurement suites (SAP Ariba, Coupa), P2P solutions (Tradeshift), data and analytics solutions (Tealbook, Levadata, Fairmarkit, Sievo), process mining tools (Celonis), supplier information providers (D&B, LexisNexis), and cloud solutions (Pegasystems)
- Infosys helps clients incorporate sustainable practices across S2P through its sustainable procurement offerings covering sourcing and compliance management. Infosys supports clients in maintaining supplier diversity by including diversity criteria in RFx and monitoring spend and impact across their diverse supplier base
  – Developed EcoWatch to enable sustainability planning, ESG reporting, and ESG performance management with capabilities such as data analytics, reporting, and dashboarding
- Clients appreciate Infosys for its agility and customer focus in service delivery along with its partnership approach and resource management ability

Infosys profile (page 7 of 7)
Everest Group PO assessment – Leader
Everest Group S2C assessment – Leader

Measure of capability: ◔ Low ● High

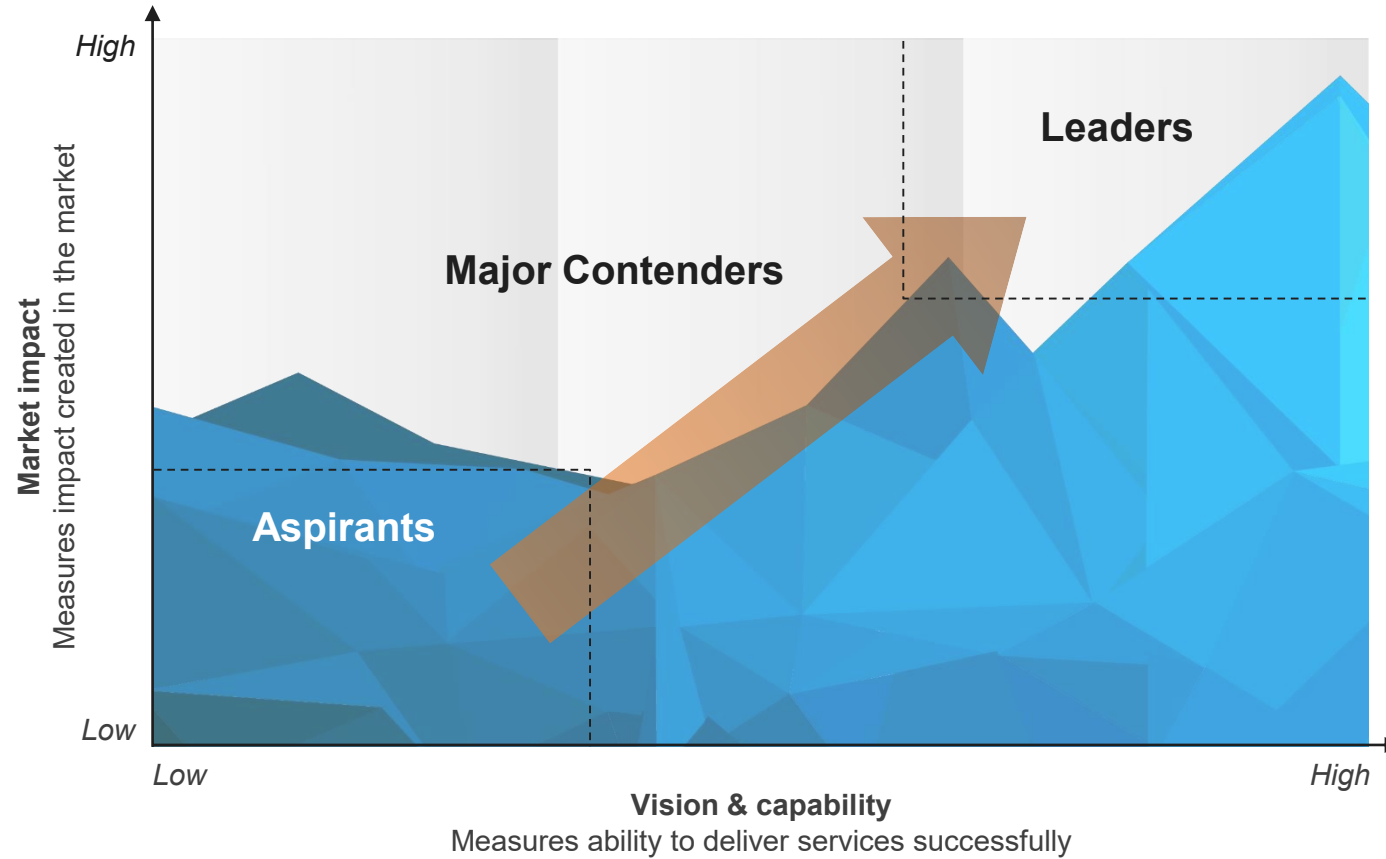|	Market impact				Vision & capability				
	Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Scope of services offered	Innovation and investments	Delivery footprint	Overall
PO	●	●	◔	●	●	●	●	●	●
S2C	●	●	◔	●	●	●	●	●	●

Limitations

- Adoption of Infosys's advanced digital solutions remains low among clients. They expect Infosys to better leverage its strong IT background to provide more value-added procurement services and solutions
- Despite recent investments to enhance its procurement consulting capabilities, clients looking for consulting-led procurement transformation may not prefer to partner with Infosys, considering its limited consulting experience and expertise compared with other leading providers
- Clients highlight the need for Infosys to develop a better understanding of their requirements through sufficient probing/questioning and setting the right expectations

Appendix

# Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix

Market impact
Measures impact created in the market

High

Low

Aspirants

Major Contenders

Leaders

Low — Vision & capability — High

Vision & capability
Measures ability to deliver services successfully

Services PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption

Number of clients, revenue base, YoY growth, and deal value/volume

Portfolio mix

Diversity of client/revenue base across geographies and type of engagements

Value delivered

Value delivered to the client based on customer feedback and transformational impact

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability
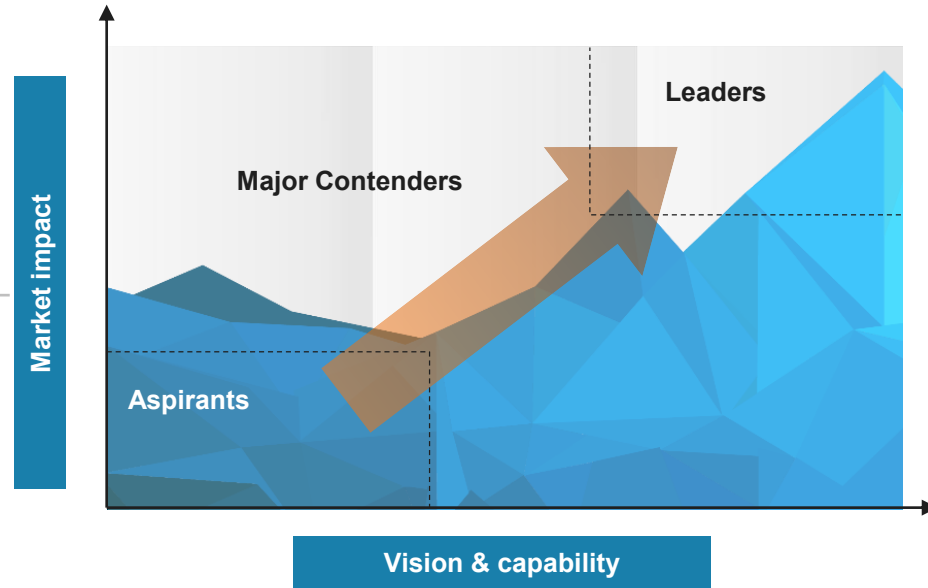
Measures ability to deliver services successfully.
This is captured through four subdimensions

Vision and strategy

Vision for the client and itself; future roadmap and strategy

Scope of services offered

Depth and breadth of services portfolio across service subsegments/processes

Innovation and investments

Innovation and investment in the enabling areas, e.g., technology IP, industry/domain knowledge, innovative commercial constructs, alliances, M&A, etc.

Delivery footprint

Delivery footprint and global sourcing mix

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix
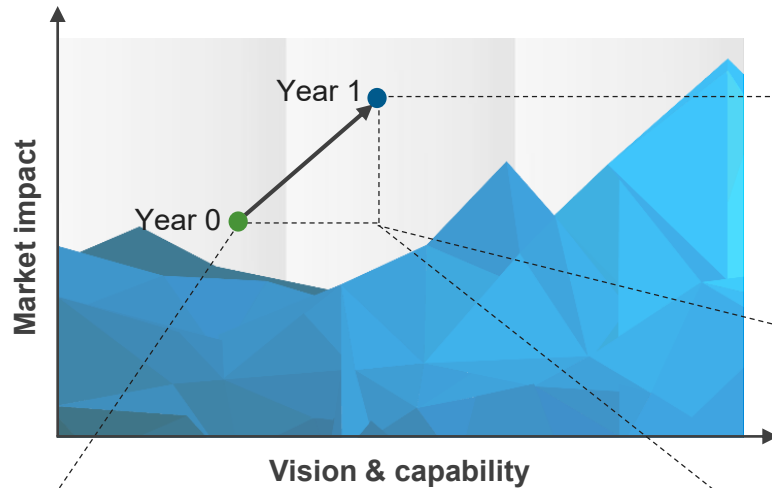
In order to assess advances on **market impact**, we evaluate each provider's performance across a number of parameters including:
- Yearly ACV/YoY revenue growth
- # of new contract signings and extensions
- Value of new contract signings
- Improvement in portfolio mix
- Improvement in value delivered

In order to assess advances on **vision and capability**, we evaluate each provider's performance across a number of parameters including:
- Innovation
- Increase in scope of services offered
- Expansion of delivery footprint
- Technology/domain-specific investments

We identify the providers whose improvement ranks in the top quartile and award the Star Performer rating to those providers with:
- The maximum number of top-quartile performance improvements across all of the above parameters AND
- At least one area of top-quartile improvement performance in both market success and capability advancement

The Star Performers title relates to YoY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment takes an unbiased and fact-based approach that leverages provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information. In addition, we validate/fine-tune these results based on our market experience, buyer interaction, and provider/vendor briefings.

Is being a Major Contender or Aspirant on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition.

What other aspects of the PEAK Matrix assessment are relevant to buyers and providers other than the PEAK Matrix positioning?
A PEAK Matrix positioning is only one aspect of Everest Group's overall assessment. In addition to assigning a Leader, Major Contender, or Aspirant label, Everest Group highlights the distinctive capabilities and unique attributes of all the providers assessed on the PEAK Matrix. The detailed metric-level assessment and associated commentary are helpful for buyers in selecting providers/vendors for their specific requirements. They also help providers/vendors demonstrate their strengths in specific areas.

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Enterprise participants receive summary of key findings from the PEAK Matrix assessment
- For providers
  - The RFI process is a vital way to help us keep current on capabilities; it forms the basis for our database – without participation, it is difficult to effectively match capabilities to buyer inquiries
  - In addition, it helps the provider/vendor organization gain brand visibility through being in included in our research reports

What is the process for a provider / technology vendor to leverage its PEAK Matrix positioning?
- Providers/vendors can use their PEAK Matrix positioning or Star Performer rating in multiple ways including:
  - Issue a press release declaring positioning; see our citation policies
  - Purchase a customized PEAK Matrix profile for circulation with clients, prospects, etc. The package includes the profile as well as quotes from Everest Group analysts, which can be used in PR
  - Use PEAK Matrix badges for branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with Everest Group; please contact your CD or contact us

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve enterprises' current and future needs. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality and to serve enterprises' future expectations.

Everest Group®

With you on the journey

Everest Group is a leading research firm helping business leaders make confident decisions. We guide clients through today's market challenges and strengthen their strategies by applying contextualized problem-solving to their unique situations. This drives maximized operational and financial performance and transformative experiences. Our deep expertise and tenacious research focused on technology, business processes, and engineering through the lenses of talent, sustainability, and sourcing delivers precise and action-oriented guidance. Find further details and in-depth content at **www.everestgrp.com**.

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