

# Category Dossier

May 2020

## Vendor Management System

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# Vendor Management System

## Category Overview

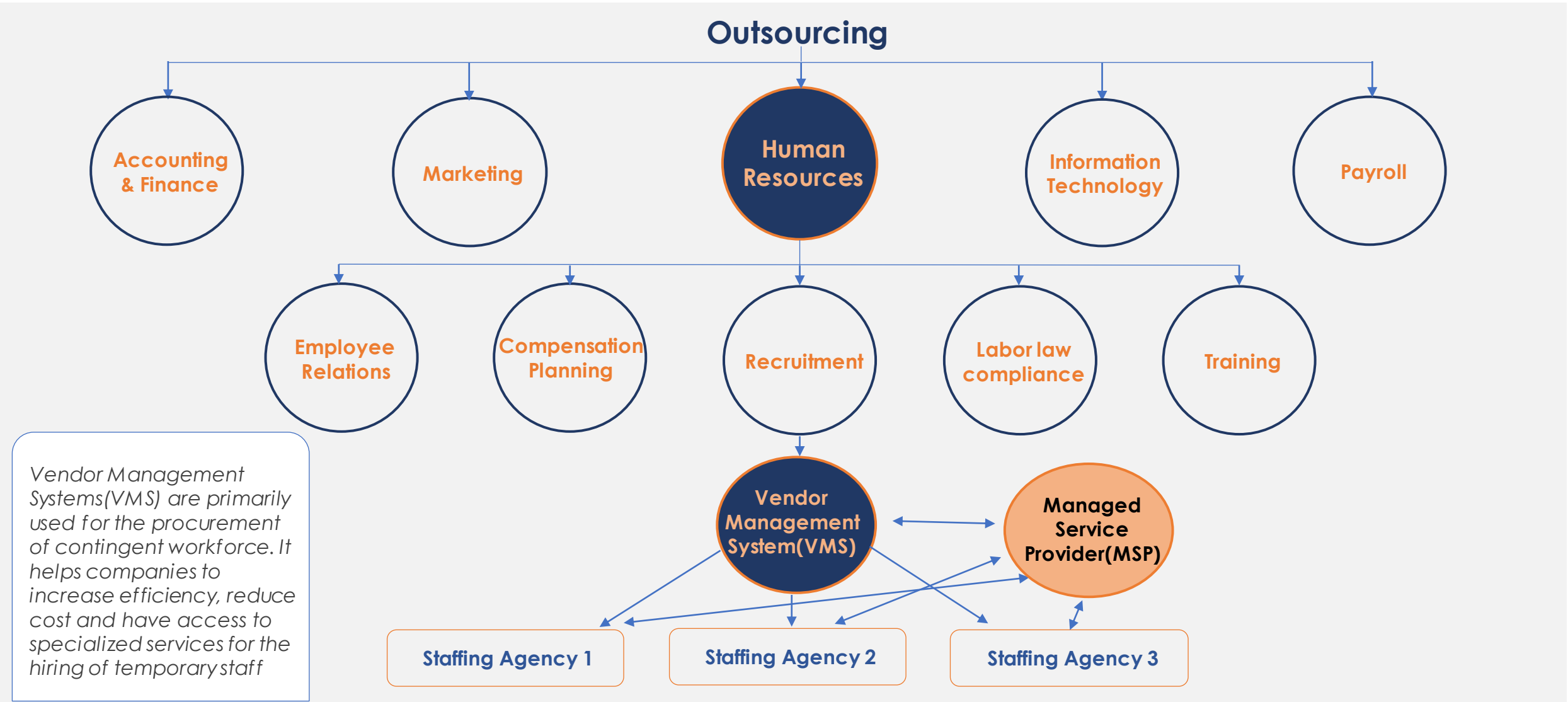
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# Vendor Management Systems(VMS) form a key part of the recruitment process, especially that of contingent workforce



## Vendor Management System: Industry Classification

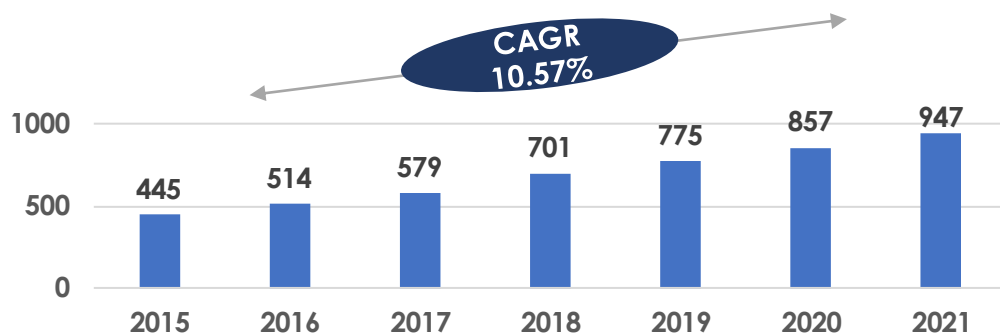


# The number of companies adopting VMS systems is increasing owing to the increased spend visibility, process efficiency and cost benefit it offers



## Vendor Management System: Market Overview

### Global Vendor Management Systems Market (USD million)



Source: Forrester Report

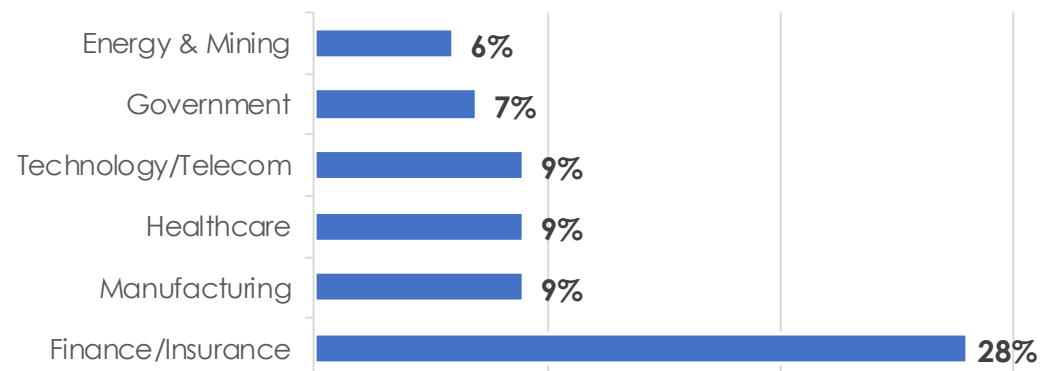
### Market Commentary

- The global vendor management system market was at USD 445 million in 2015, and is estimated to grow at a CAGR of 10.57% to reach a market size of USD 947 million by 2021
- About 72% of the new contracts awarded globally in 2018, were by first time buyers, suggesting that there are many organizations seeking a VMS solution for the first time
- Investment in Total Talent Management, increasing Mergers and Acquisitions and higher focus on SOW services are some of the key trends that are being witnessed in the VMS provider market

### Key Drivers & Market Outlook

- VMS systems offer greater contingent worker visibility which helps in mitigating risk through improved compliance. It also provides simplified & consolidated invoicing which improves process efficiency. These benefits are driving the demand for the adoption of VMS systems
- The financial services industry has the highest adoption of VMS owing to the compliance benefits the systems offer, which enables effective mitigation of risk
- With COVID-19 impacting business production worldwide, leading to laying off of permanent employees, the demand for contingent workers is expected to increase in the near-medium term. This is expected to lead to an increased adoption of VMS systems to better manage the increasing contingent workforce

### Top 6 Industries by VMS Market Share

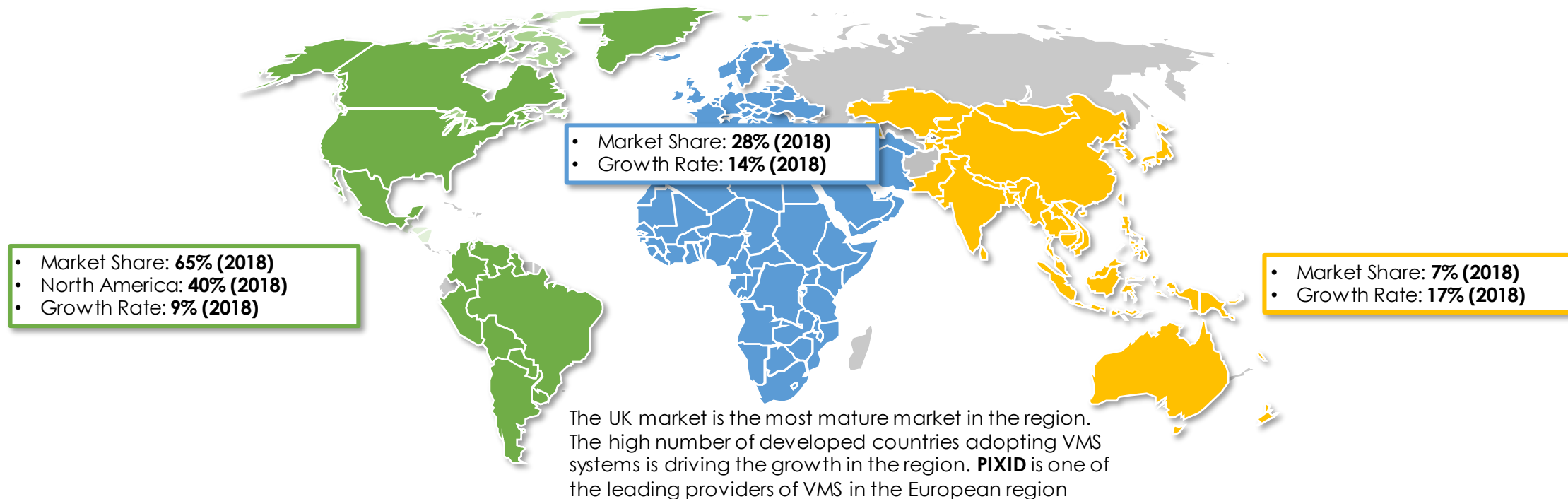


Source: Staffing Industry Analysts



# The Americas region is the most mature market for Vendor Management Systems(VSM) followed by EMEA and APAC region

## Vendor Management System: Regional Segmentation



1

The Americas region accounts for the largest share with 65%, out of which **USA, Canada & Mexico** combined account for **36%**. The region has the highest share owing to the early adoption of VMS systems, presence of large IT companies, cutting edge technology & innovations as well as the large number of providers having their base in the USA. **SAP Fieldglass & Beeline** are leading providers in the region

2




APAC is the fastest growing region at present. This growth is fuelled by the increasing expansion activities by VMS providers in the region such as **Beeline, Ramco & SimplifyVMS**. Owing to the later adoption of VMS in the region, the growth potential is significantly higher, which is being tapped by VMS providers

3

# Vendor Management Systems are evolving owing to increased focus on process efficiency...



## Vendor Management System: Megatrends (1/2)

Trends	GEP PoV	PROCUREMENT IMPACT
Investments in Total Talent Management (TTM)	<ul style="list-style-type: none"><li>VMS providers are investing in integrations and data analytics with a view to support total talent management, which will enable customers to have a view of their entire workforce</li><li>By leveraging new product integration between <b>SAP SuccessFactors</b> and <b>SAP Fieldglass</b>, <b>SAP</b> provides organizations with the insight to better manage and optimize their total workforce. Considering the huge amount of employee data to be stored, the need for proper data privacy infrastructure becomes important, owing to which <b>SAP Fieldglass</b> launched 3 European data centers in the UK, Netherlands and Germany in March 2015, in response to customer concerns about data privacy</li></ul>	 Negative Impact      Neutral      Positive Impact
Statement of Work (SOW) becoming a major focus area	<ul style="list-style-type: none"><li>SOW services such as consultancy and third-party workers is becoming a major focus area amongst VMS providers to include these in their technology</li><li>Since SOW services are far more complex to manage, including them within the VMS tool gives companies greater visibility on their SOW services spend</li><li><b>Beeline</b> is considered to be the market leader in the area of SOW sourcing</li></ul>	 Negative Impact      Neutral      Positive Impact
Increasing Mergers & Acquisitions	<ul style="list-style-type: none"><li>The number of mergers and acquisitions and strategic alliances between VMS providers has been on an increase in the industry primarily to expand the service offering and widen geographical presence</li><li>The <b>Beeline</b> and <b>IQNavigator</b> merger in 2016 was the largest VMS M&amp;A development. <b>Coupa</b> acquired <b>Connxus</b> and <b>ETA</b> in 2020. <b>Workforce Logiq</b> recently acquired '<b>ENGAGE Talent</b>' and integrated with '<b>Upwork</b>', a freelance marketplace which will help its customers to source and hire freelance workers</li><li>Increasing M&amp;A's is leading to the consolidation of the VMS provider landscape, thus increasing supplier power and limiting quality supplier base for buyers</li></ul>	 Negative Impact      Neutral      Positive Impact

## Vendor Management System: Megatrends (2/2)

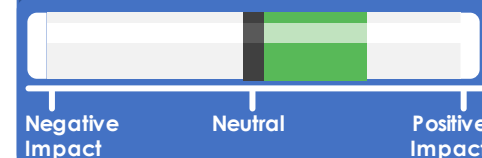
### Trends

### GEP PoV

### PROCUREMENT IMPACT

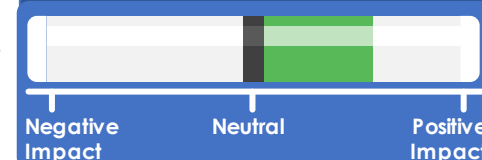
#### Geographical Expansions and Localizations

- VMS vendors are expanding and spreading their wings to different geographies. They are also offering tailored solutions which can be localized and applied to additional countries to suit the requirements of a particular country
- For example, US based company '**3 Story Software**' has a solution specific to the French market which supports French tenure management rules, auto-calculates 'Souplesse' (flexible end dates) and delivers electronic signatures using two factor authentications
- '**PIXID**', a **French** company has been focusing on expanding in **United Kingdom**. It has also launched its services in **Netherlands** and **Ireland** in 2019



#### Increased focus on Risk Reduction

- With increasing levels of temporary workers and regulatory/legislative changes, procurement teams are increasingly focusing on risk reduction
- They are responding by adding additional layers of pre-employment screening in order to ensure their workforce is fully compliant with organization and government standards
- In order to avoid a difficult and lengthy process involving extensive paperwork, companies are investing in programs and systems that will help streamline the hiring process
- '**3 Story Software**' enables the signing & storage of all documents within its platform

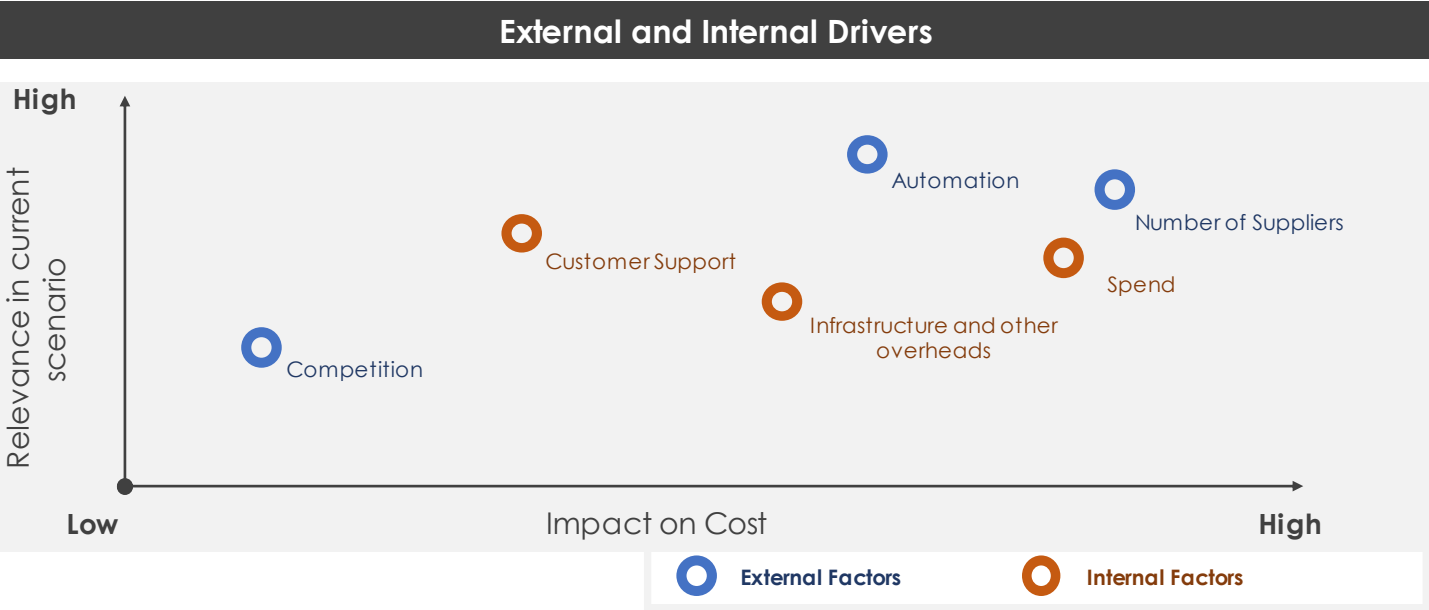
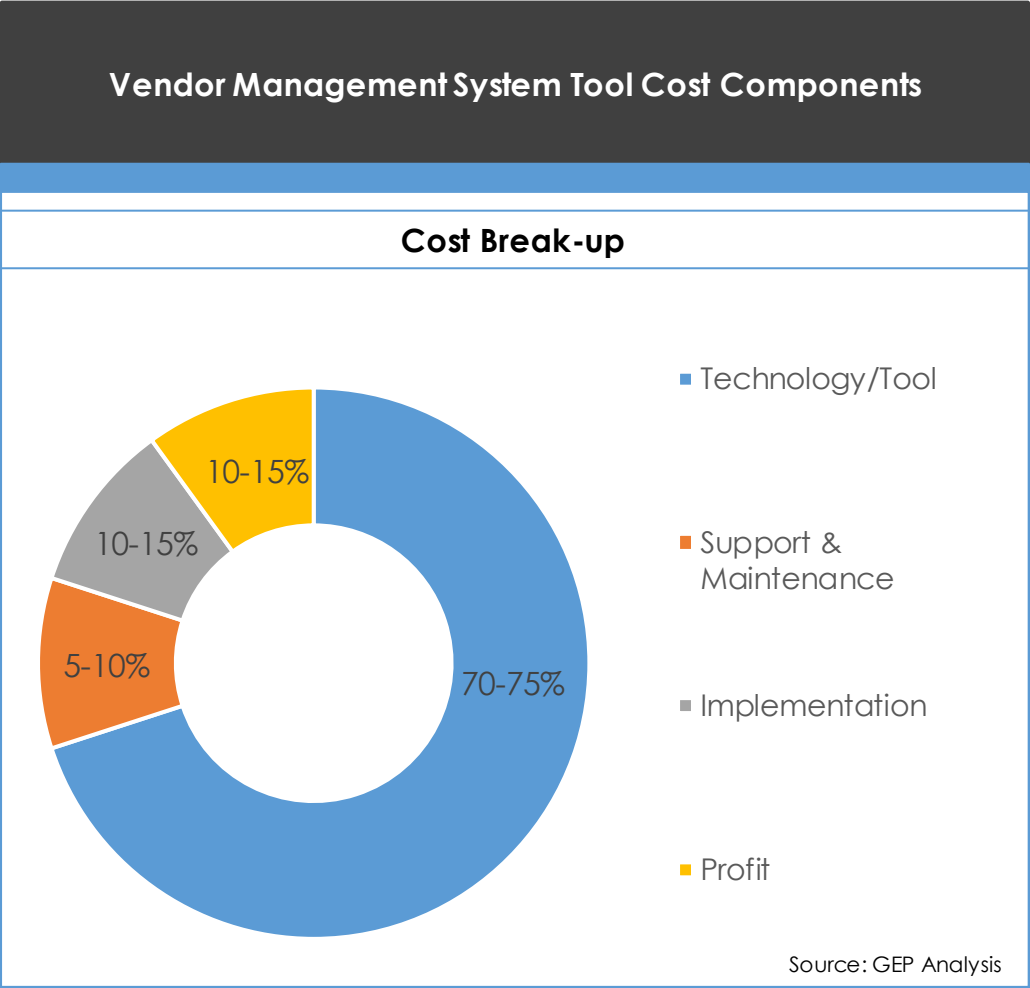




# The cost of the software technology/tool accounts for the largest share of the total cost of a Vendor Management System



## Vendor Management System: Cost Structure and Cost Drivers



**Technology/Tool Cost**  
The cost of the technology/software tool is the most expensive component in a VMS, accounting for 70-75% of the total cost

**Support & Maintenance**  
This includes regular and ongoing product support and maintenance, regular updates to the software etc.

**Implementation Cost**  
This includes the cost of setting up the tool, integration to existing systems, onboarding, training and support

# Vendor Management System

## Category Supplier Landscape

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# The vendor management system providers can be broadly segmented into staffing/MSP affiliated providers and VMS providers

## Vendor Management System: Supplier Segmentation

### Staffing/MSP Affiliation

These vendors are owned by staffing/MSP companies and/or they provide complementary MSP services or staffing services. They either sell the VMS through the MSP or offer it as a stand-alone solution without the MSP service



- These providers are affiliated/owned to/by ERP solution providers. E.g., SAP Fieldglass is owned by SAP, which provides ERP solutions

### ERP Affiliated Providers

### VMS Providers

These vendors are specialized software organizations that only provide the technology without any recruiting service component. They can either be pure play providers or have close integration and/or ownership by an ERP software organization or a Human Capital Technology organization

### HCM Affiliated Providers

- These providers are affiliated /owned to/by Human Capital Management technology providers who provide services like payroll & benefits, time & expense management etc. E.g., Vector VMS is affiliated to Learning Technologies Group

### Pure Play Providers

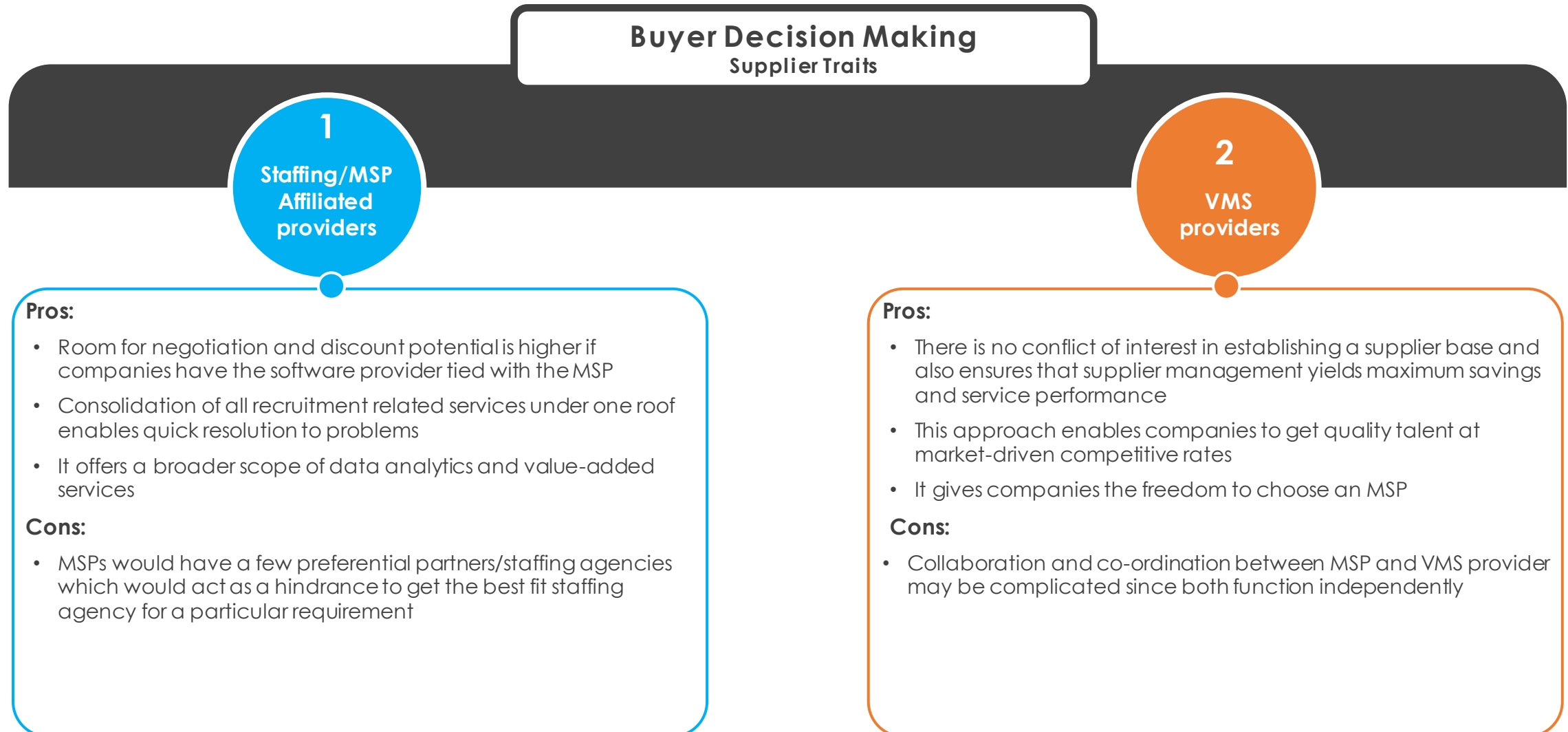
- These providers specialize in providing only the VMS technology



# Staffing managers should identify their detailed requirements before deciding the right type of provider to engage with



## Vendor Management System: Supplier Segment Characteristics



GEP considers these parameters as important for buyers to consider before finalizing any sourcing decision



Vendor Management System: Buying Decision Facilitation




Buying Decision Factors		Staffing/MSP Affiliated providers	VMS Providers
Evaluation Criteria	Cost Competitiveness		
	Portfolio of Services		
	Quality of Talent Pool		
	Direct Sourcing		
	Ease of Supplier(Staffing Agency) Management		
	After Sales Services (Training & Customer Support)		
<div>Key Insights</div> <ul style="list-style-type: none"><li><b>Direct Sourcing</b> is the action of finding and engaging talent, not through traditional staffing agencies, but through direct access from a Vendor Management System (VMS) to internal and external talent pools. It helps save cost since there is no MSP or staffing agency fee involved. It also reduces the time required to fill by an average of <b>4 days</b></li><li>Pure play VMS providers have superior direct sourcing capabilities. HCM affiliated providers offer advanced learning &amp; development modules, while ERP affiliated providers offer a comprehensive solution which suits the needs of all types of services procurement functionalities</li></ul> <div> Very Weak  Weak  Moderate  Strong  Very Strong</div>			



# Beeline, SAP Fieldglass and PRO Unlimited are amongst the top providers, each operating in more than 90 countries



## Vendor Management System: GEP Perspective on Representative Suppliers

Supplier	Offering Overview	Presence	Why Partner?	Risks
	<ul style="list-style-type: none"> <li>Beeline offers VMS solutions in 120 countries around the world. It supports CWM &amp; SOW procurement. It also supports freelance management through its integrated self-sourcing and talent pool offering. It is compliant with labor and tax laws in 42 countries</li> </ul>	Global <ul style="list-style-type: none"> <li>- Americas</li> <li>- EMEA</li> <li>- APAC</li> </ul>	<ul style="list-style-type: none"> <li>Global reach in more than 100 countries</li> <li>Strong reporting and analytics offering</li> <li>Leading SOW sourcing provider in the industry</li> <li>Superior direct sourcing capability</li> </ul>	<ul style="list-style-type: none"> <li>User experience is not the best in the industry as some suppliers have reported difficulty in using the mobile app for requisition acceptance and submission</li> </ul>
	<ul style="list-style-type: none"> <li>SAP Fieldglass offers very effective coverage of all aspects of contingent worker &amp; freelancer engagement and competitive coverage of other services categories. It is available in 21 languages and is compliant with labor and tax laws in more than 180 countries</li> </ul>	Global <ul style="list-style-type: none"> <li>- Americas</li> <li>- EMEA</li> <li>- APAC</li> </ul>	<ul style="list-style-type: none"> <li>Has the largest client base and the most spend under management</li> <li>Superior usability and vendor support for contingent workforce, SOW and other services</li> <li>Global reach</li> </ul>	<ul style="list-style-type: none"> <li>It has a relatively weak engagement with service providers, therefore not allowing clients to acquire the full potential of services procurement</li> </ul>
	<ul style="list-style-type: none"> <li>PRO Unlimited offers solutions in more than 90 countries. Its VMS solution is designed to support CWM and SOW procurement, with secondary support for freelancer management. It is available in 14 languages and is compliant with labor and tax laws in 96 countries</li> </ul>	Global <ul style="list-style-type: none"> <li>- Americas</li> <li>- EMEA</li> <li>- APAC</li> </ul>	<ul style="list-style-type: none"> <li>Offers integrated managed services (MSP)</li> <li>VMS solution is strong in reporting &amp; analytics, mobile support, rate structure for contingent workers and freelance compliance management</li> <li>Focuses on cost savings through internal adoption and usage of its solution</li> </ul>	<ul style="list-style-type: none"> <li>A few contingent workers sued PRO Unlimited for improperly classifying them as exempt from overtime wages and subsequent non-payment of such overtime wages due</li> </ul>

# PIXID is expanding its operations and is a strong contender to challenge other well established players



## Vendor Management System: GEP Perspective on Representative Suppliers

Supplier	Offering Overview	Presence	Why Partner?	Risks
	<ul style="list-style-type: none"> <li>Coupa offers its services in more than 40 countries in multiple languages. Its VMS solution supports contingent workforce and SOW procurement powered by AI. It also enables companies to manage advanced services spend with its software</li> </ul>	Global <ul style="list-style-type: none"> <li>Americas</li> <li>EMEA</li> <li>APAC</li> </ul>	<ul style="list-style-type: none"> <li>Has the best user experience compared to other providers in the industry</li> <li>Actively expanding to other markets across all regions</li> <li>Has a superior candidate sourcing and selection tool which includes machine learning and semantic matching</li> </ul>	<ul style="list-style-type: none"> <li>Ariba filed a lawsuit alleging Coupa to have misappropriated Ariba's trade secrets</li> <li>A few clients have reported that the implementation teams were not always fully knowledgeable of the intricacies of the product</li> </ul>
	<ul style="list-style-type: none"> <li>Provade offers its services in 38 countries across the globe in 19 languages. Its solution supports contingent workforce with secondary support for freelancer management and SOW procurement</li> </ul>	Global <ul style="list-style-type: none"> <li>Americas</li> <li>EMEA</li> <li>APAC</li> </ul>	<ul style="list-style-type: none"> <li>Majority of customers have more than \$1 billion in annual revenue</li> <li>Has strong pre-built and custom reports</li> <li>Strong vendor support throughout the project including during implementation</li> </ul>	<ul style="list-style-type: none"> <li>Functions under Oracle as its recommended procurement solution. May find it difficult to function independently in case Oracle decides to stop recommending Provade</li> </ul>
	<ul style="list-style-type: none"> <li>PIXID provides a solution tailored to the French contingent market, primarily focusing on contingent workforce. It offers its solution in 4 countries in Europe and in 7 languages, and is currently expanding rapidly in the United Kingdom</li> </ul>	Regional <ul style="list-style-type: none"> <li>Europe</li> </ul>	<ul style="list-style-type: none"> <li>Specializes primarily on contingent workforce</li> <li>Strong presence in Europe, particularly in France</li> <li>Strong usability and provide strong implementation and ongoing customer support</li> </ul>	<ul style="list-style-type: none"> <li>Lack of presence outside Europe</li> <li>Does not support SOW spend and other services</li> </ul>

# Vendor Management System

## Category Best Practices

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# VMS provider type and functionalities, funding and pricing models and technology are key factors that influence VMS provider selection



## Vendor Management System: Typical Sourcing Challenges



1

### Technology

- Technology is constantly evolving, overlapping or integrating to enable the sourcing, visibility and management of any worker type, in any region
- The future workforce strategy of buyers who have invested in the best of breed technologies may be constrained by the capabilities of incumbent systems to evolve or integrate with emerging solutions
- Buyers must therefore consider their existing technology and the wider technology strategy of the business when selecting a VMS provider



2

### Geographic Presence

- There are a number of VMS providers offering their services in multiple countries across the globe
- There are also a few leading providers who focus only in a particular region
- Buyers must consider their requirement and match it with VMS providers in order to get the best out of the partnership



3

### VMS Provider Type

- The VMS landscape today is broadly divided into two types; providers owned or affiliated with human capital focused service providers or software companies and standalone providers with their own partnership ecosystem
- Each type of provider has its own pros and cons. Buyers must therefore evaluate their own workforce management strategy and select a provider that they feel would best suit their strategy



4

### Funding and Pricing Model

- There are various types of funding and pricing models that are prevalent in the industry
- Funding model can either be supplier-funded or buyer-funded. Fee as a percentage of spend is the most widely adopted pricing model
- Different providers adopt different funding models and have different percentages of spend as their fee
- Each model having its own advantages and disadvantages, buyers must choose a model they think would give them maximum cost saving



5

### Provider Functionalities

- VMS solutions have evolved over the years from initially supporting only contingent workforce to supporting freelancers and now to SOW services management
- Buyers are looking for providers who could support SOW services without deploying additional tools, thereby reducing cost. They are also looking at providers capable of providing analytics to support better decision making
- With the high number of providers offering VMS solutions, buyers must carefully evaluate them in order to engage with a provider who could offer all required services while saving cost

# Companies prefer to engage with an independent VMS solution provider and a third party MSP provider



## Vendor Management System: Engagement Models

	VMS & Third Party MSP both independent entities	Standalone VMS (Internally managed program)	MSP with their own VMS solution
	<p><b>Adoption Levels</b></p>	<p><b>Adoption Levels</b></p>	<p><b>Adoption Levels</b></p>
Definition	Companies engage with a third party MSP service provider and procure the VMS solution from an independent company	Contingent workforce program is managed internally by the company, with only the VMS solution being purchased from a VMS provider	Companies engage with a Managed Service Provider (MSP) who provide their own VMS solution
Scenarios / Fitment	<ul style="list-style-type: none"> <li>Suitable for companies having a high requirement of contingent workforce and looking to bring in expertise in managing them</li> </ul>	<ul style="list-style-type: none"> <li>Suitable for mid-sized companies</li> <li>Ad-hoc requests are usually directly sourced</li> <li>Companies not having a high requirement of contingent workforce</li> </ul>	<ul style="list-style-type: none"> <li>Suitable for companies having a limited budget and very light requirement of VMS functionalities</li> <li><b>PRO Unlimited</b> is the <b>MSP &amp; VMS</b> partner of <b>Sanofi US</b></li> </ul>
Advantages	<ul style="list-style-type: none"> <li>Companies enjoy expertise and superior service offerings and are able to save costs ranging between <b>10-15%</b> over a period of 2 to 3 years</li> <li>Increased flexibility in reviewing and switching VMS or MSP provider, in case of poor performance</li> </ul>	<ul style="list-style-type: none"> <li>Company has greater control on its contingent workforce program</li> <li>Provides greater flexibility and enables quick decision making</li> </ul>	<ul style="list-style-type: none"> <li>Relationship management becomes easy as the number of stakeholders are less</li> <li>Cost saving owing to increased efficiency</li> </ul>
Disadvantages	<ul style="list-style-type: none"> <li>Relationship management becomes complex due to higher number of stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Companies may not have the required expertise like an MSP to manage the program</li> <li>In the absence of an MSP, process efficiency is reduced and hence cost saving is minimal</li> </ul>	<ul style="list-style-type: none"> <li>Companies may miss out on innovations and superior offerings by other VMS players</li> <li>Lack of flexibility</li> <li>Companies may have to settle with staffing companies that the MSPs have a tie-up with</li> </ul>



# Fee as a percentage of spend is the most widely adopted pricing strategy by buyers of Vendor Management System



## Vendor Management System: Pricing Models

Pricing Strategy	Description	Pros	Cons	Adoption Rate
Fee as a percentage of spend	<p>The fee charged would vary depending on the overall spend on the program. It can either be charged as a percentage of the spend or a flat fee depending on the spend level</p> <p><b>Eg: Elevate &amp; 3 Story Software</b> use this model for almost all of their contracts, while <b>Beeline</b> use this for about 70% of their contracts</p>	<ul style="list-style-type: none"> <li>• Ease of administration</li> <li>• Cost Optimization when volumes are low</li> <li>• Companies can negotiate for lower percentages in case of huge volumes</li> </ul>	<ul style="list-style-type: none"> <li>• In case of increase in volumes, the company will have to pay more</li> </ul>	
Fixed fee	<p>Under this model, fee charged is fixed irrespective of the spend level and payable either monthly, quarterly or annually</p> <p><b>Eg: SimplifyVMS</b> use a fixed, monthly fee pricing model for 30% of their contracts, whereas <b>Netive</b> use this for 10% of their contracts</p>	<ul style="list-style-type: none"> <li>• Company is able to clearly define the requirements and the specific cost that will be required to manage its contingent workforce</li> <li>• Provides high transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Company may sometimes be paying much more than normal if volumes are too less and they opt for a fixed fee model</li> <li>• The basis of estimation of fee to be charged is difficult</li> </ul>	
Hybrid Model	<p>This model is based on a combination of models, where certain elements have a fixed fee and other elements are transaction based</p> <p><b>Eg: PIXID</b> use a fee per hour, FTE or documents processed pricing model</p>	<ul style="list-style-type: none"> <li>• Gives flexibility to the company in determining the elements to be priced under a fixed fee or as a percentage. This is most likely to lead to cost savings</li> </ul>	<ul style="list-style-type: none"> <li>• It is difficult to accurately determine the cost that the buyer will have to incur</li> </ul>	

# The Supplier-Funded Model is the most widely adopted funding model in the industry, having an adoption rate of more than 75%











## Vendor Management System: Funding Models

Funding Model	Description	Pros	Cons	Adoption Rate
Supplier(Staffing Agency)Funded Model	<ul style="list-style-type: none"> <li>Under this model, the buyer is not charged by the VMS provider for software licensing or transaction fee. The technology is funded through a participation fee paid by staffing vendors, who pay a percentage of spend for the labor they provide</li> <li>About 85-90% programs in <b>North America &amp; APAC</b> region are supplier-funded</li> <li>'<b>Elevate</b>' &amp; '<b>3 Story Software</b>' adopt this mode for all their engagements</li> </ul>	<ul style="list-style-type: none"> <li>No investment on technology</li> <li>Accelerates program adoption &amp; savings</li> <li>No charges for upgrades</li> <li>Easier to manage in a single country implementation or where buyer has significant volumes</li> </ul>	<ul style="list-style-type: none"> <li>Risk of losing suppliers who may not be willing to pay the fees associated with implementing this model</li> <li>Cost saving measure will be difficult to implement</li> </ul>	
Client-Funded Model	<ul style="list-style-type: none"> <li>Under this model, the buyer pays 100% of the costs of the VMS and MSP costs. All transaction fees are charged to the buyer, and the supplier does not realize the impact of any fees</li> <li>About 70-80% programs in <b>LATAM &amp; Europe</b> are client-funded due to lower supplier margins</li> <li>More than <b>90%</b> of <b>Shortlist's</b> engagements are client-funded</li> </ul>	<ul style="list-style-type: none"> <li>In the long run, investing in a good MSP leads to cost savings, ultimately offsetting the costs incurred on the VMS</li> </ul>	<ul style="list-style-type: none"> <li>The buyer is required to pay all the costs associated with the VMS from his own pocket</li> </ul>	
Partially Client-Funded Model	<ul style="list-style-type: none"> <li>This model is a combination of the above models, where the buyer may pay for the VMS, while the supplier may fund the MSP</li> <li>About <b>20%</b> of '<b>AMN Healthcare</b>' engagements in <b>North America</b> are partially client-funded</li> </ul>	<ul style="list-style-type: none"> <li>Ensures predictability of costs</li> <li>Easily customizable to fit the need of the buyer as well as the supplier</li> </ul>	<ul style="list-style-type: none"> <li>Complicated process to manage relations with multiple stakeholders</li> <li>Collaboration between MSP &amp; VMS provider may be difficult</li> </ul>	

# Program Spend and Number of Staffing Agencies are some of the key negotiation parameters which can be used to negotiate with VMS providers



## Vendor Management System: Negotiation Levers

 <p>Program Spend &amp; Number of Staffing Agencies</p>	 <ul style="list-style-type: none"><li>• Generally, fees charged by VMS providers is a percentage of the customer's overall spend on their contingent workforce program. Higher the program spend, lower is the percentage of fee charged and vice-versa</li><li>• Hence, the level of spend becomes an important factor to base negotiations on, as customers having a higher spend can negotiate for lower percentages</li><li>• If the buyer is partnering with fewer staffing agencies, the database to be managed within the VMS tool would be lesser. Buyers can negotiate with VMS providers for reducing cost due to engagement with less number of staffing agencies</li></ul>
 <p>System Integration</p>	 <ul style="list-style-type: none"><li>• Managing contingent workforce through VMS systems alone can be challenging due to the disparate systems that exist. In order to manage benefits, payroll, time and expense management, performance management etc., VMS systems need integration with Human Capital Management (HCM) systems</li><li>• Buyers need to negotiate with VMS providers on the feasibility of such talent-related system integrations which will enable them to have full workforce visibility and also help them move towards total talent management</li></ul>
 <p>Functionalities offered</p>	 <ul style="list-style-type: none"><li>• VMS applications have evolved and now offer sourcing of workers through statement of work, direct sourcing as well as freelancer recruitment. There are applications that support SOW sourcing and creation within it</li><li>• These applications also have reporting &amp; analytics capabilities such as rate benchmarking against external data, built-in business intelligence tool, user-configurable report builder etc.</li><li>• <b>Beeline, Netive &amp; Ramco</b> are leading providers offering these features within their application. Buyers can negotiate with providers based on the availability of these features within their VMS system</li></ul>
 <p>Artificial Intelligence (AI) capabilities</p>	 <ul style="list-style-type: none"><li>• VMS providers are investing in AI capabilities such as natural language processing (NLP) and machine-learning (ML). Though the progress is slow, it is expected to become a key factor in selecting a VMS provider</li><li>• The benefits of AI include automated workflow approvals, predictive candidate performance, improved candidate fit etc.</li><li>• Buyers can negotiate with providers in order to select the best fit provider to maximize solution usage and cost savings</li></ul>


# Vendor Management System

## Buyers Toolkit

● April ● May ● June ● July ● August ● September

DATE	TIME (MINUTES)	PACE (MINUTES/MILE)
4/1	20.00	10.00
4/3	25.30	11.24
4/10	30.00	12.00
4/12	30.30	12.25

Beeline: Capability Overview



Company Snapshot

**Industry:** Information Technology Solutions

**Ownership:** New Mountain Capital

**Headquarters :** Florida, United States

**Year Established:** 2000

**Number of Clients:** ~300

**Number of Employees (2018):** 73

**Number of countries:** Present in nearly 120 countries

**Website:** <https://www.beeline.com>

**Company Type:** Private Subsidiary

**Revenue (2018):** USD 47 million




Key Industries Served

- Financial Services
- Retail
- Healthcare
- Technology
- Communication






Key Service offered

- Talent sourcing & procurement
- Rate & expense management
- Billing
- Compliance with labor laws
- Reporting & Data Analytics



Key Partnerships (Past and Present)

Enterprise Software	
Technology Partner	
Talent Partner	

Key Developments (Past and Present)

- In September 2019, Beeline announced an integrated partnership with 'TalentNet', a complete talent acquisition and curation platform, to complement its best-in-class direct sourcing solutions with the leading private talent pool solution in the market
- In September 2019, Beeline named 'Pinnacle Group', a leading workforce solutions provider as its Certified Strategic Partner



Beeline: Capability Overview

Strength

- Almost 70% of its 300 customers have been engaged with Beeline for more than seven years
- The company has \$40 billion under managed spend
- Global reach in more than 100 countries
- Strong reporting and analytics offering
- Leading SOW sourcing provider in the industry
- Superior direct sourcing capability
- Integration capability with ERP systems

Weakness

- Issues have been reported by clients in logging in to the Beeline VMS network
- User experience is not the best in the industry as some customers have reported difficulty in using the mobile app for requisition acceptance and submission

Supplier Updates (Past 5 years)

Innovation

- The company's partnership with 'Avature', an enterprise SaaS platform for talent acquisition and management, will enable businesses to realize the total talent vision to achieve breakout performance


Growth Strategies

- Beeline was acquired by New Mountain Capital in 2018. New Mountain Capital is a highly growth-oriented private equity firm, which will help Beeline to grow its business further

Technological Advancements

- The 'Beeline Knowledge Graph', a part of its internal AI platform, enables representation & operationalization of all data, data sources and databases of every type. This is used to perform all kinds of analysis with all or any part of the data

SAP Fieldglass: Capability Overview



Company Snapshot

**Industry:** Information Technology Solutions

**Ownership:** SAP SE

**Headquarters :** Illinois, United States

**Year Established:** 1999

**Number of Clients:** 300+

**Number of Employees (2018):** 1000+

**Number of countries:** Present in nearly 180 countries

**Website:** <https://www.fieldglass.com>

**Client Retention Rate :** 99%

**Company Type:** Private Subsidiary

**Revenue (2018):** USD 120 million




Key Industries Served

- Banking & Insurance
- Construction
- Professional Services
- Utilities
- Aerospace & Defense






Key Service offered

- Spend Control
- Talent Requisition
- Invoicing & Payment Processing
- Reporting & Data Analytics
- Process Automation



Key Partnerships (Past and Present)

Payment Partner	
Technology Partner	
Technology Partner	

Key Developments (Past and Present)

- Kobelco System Corporation, an IT services provider based in Japan, chose SAP Fieldglass in 2019 to transform the management of its skilled external workforce
- The CEO of SAP SE, Bill McDermott stepped down from his position in October 2019. Jennifer Morgan and Christian Klein were appointed as co-CEOs

SAP Fieldglass: Capability Overview

Strength

- Has the largest client base and the most spend under management
- Superior usability and vendor support for contingent workforce, SOW and other services
- Global reach
- The company invests a significant portion of its total revenue on R&D activities to develop products adapting to emerging technologies in the cloud market
- Can be deployed in the cloud and has integration capability with ERP systems

Weakness

- It has a weak engagement with service providers, therefore not allowing clients to acquire the full potential of services procurement
- The company has a low liquidity position, which indicates a decreasing ease in funding the company's day to day operations

Supplier Updates (Past 5 years)

Innovation

- The company has developed a self-service admin platform which helps to add suppliers and new fields in just a few clicks
- In 2016, announced plans to roll out SAP Fieldglass Flex, ready-to-use workforce management solution to reinvent the way work is done


Growth Strategies

- SAP Fieldglass expanded its digital partner network by adding four additional online services providers – Toptal, Trusted Health, First Advantage and TalentWave to its solutions which is expected to support its growth further. It is also moving towards total spend management with its integration with SAP Ariba and SAP Concur

Technological Advancements

- SAP Fieldglass integrated with WillHire Direct Sourcing and Talent Pool Management Software application, which will enable businesses to leverage SAP's AI capabilities to hire from a vetted private talent pool of contingent workers

PRO Unlimited: Capability Overview



Company Snapshot

**Industry:** Information Technology Solutions

**Ownership:** N.A

**Headquarters :** Florida, United States

**Year Established:** 1991

**Number of Clients:** 300+

**Number of Employees (2018):** 1200

**Number of countries:** Present in 91 countries

**Website:** <https://prounlimited.com>

**Client Retention Rate :** 100%

**Company Type:** Private Parent

**Revenue (2018):** USD 52 million




Key Industries Served

- Financial Services
- Pharmaceutical
- Energy
- Healthcare
- Education





Key Service offered

- Total Talent Management
- Sourcing
- Analytics & Reporting
- Project Sourcing & Management
- Mobile Alerts & Communications



Key Partnerships (Past and Present)

Staffing Partner	
Staffing Partner	 Celebrating 20 years
Talent Management	

Key Developments (Past and Present)

- The 2020 National Technology Awards honored PRO Unlimited's '**Wand Mobile**' app for its ability to empower managers, suppliers and workers within a company's contingent workforce program to increase productivity anytime and anywhere
- In 2018, PRO Unlimited announced that it would be providing companies with guidance to deal with the latest changes to IR35 for the private sector

PRO Unlimited: Capability Overview

Strength

- The company offers integrated managed services (MSP)
- VMS solution is strong in reporting & analytics, mobile support, rate structure for contingent workers and freelance compliance management
- Focuses on cost savings through internal adoption and usage of its solution
- Can be deployed in the cloud and has integration capability with ERP systems

Weakness

- A few contingent workers sued PRO Unlimited for improperly classifying them as exempt from overtime wages and subsequent non-payment of such overtime wages due
- The company has a credit rating of 50 (Dun & Bradstreet), which indicates a moderate risk of associating with it

Supplier Updates (Past 5 years)

Innovation

- PRO Unlimited's Wand Discovery tool enables users to have total workforce intelligence and business insights at their fingertips with its ability to generate reports and analytics on their contingent labor programs. It also has interactive dashboards giving users the ability to change the reports and results they see in real time


Growth Strategies



- PRO Unlimited was recapitalized by private equity firm Harvest Partners in 2017. The deal also included a reinvestment by private equity firm Investcorp, which owned PRO Unlimited since 2014. This recapitalization is expected to provide strong financial backing, allowing the company to innovate and expand, thereby providing clients the best service











Technological Advancements

- In August 2019, PRO Unlimited released a new configurable manager homepage for its Wand Vendor Management System, which offers a sleek modern user interface and extensive personalization options that helps increase efficiency and provide a frictionless user experience

## Coupa: Capability Overview

 <p><b>Company Snapshot</b></p>	<p><b>Industry:</b> Information Technology Solutions</p> <p><b>Ownership:</b> N.A</p> <p><b>Headquarters :</b> California, United States</p> <p><b>Year Established:</b> 2006</p> <p><b>Number of Clients:</b> 100+</p> <p><b>Number of Employees (2018):</b> ~1200</p>	<p><b>Number of countries:</b> Present in more than 40 countries</p> <p><b>Website:</b> <a href="https://www.coupa.com">https://www.coupa.com</a></p> <p><b>Client Retention Rate :</b> ~95%</p> <p><b>Company Type:</b> Public Parent</p> <p><b>Revenue (Jan 2020):</b> USD 389 million</p>
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 <b>Key Industries Served</b>	 <b>Key Service offered</b>
<ul style="list-style-type: none"> <li>• Consumer Packaged Goods</li> <li>• Education</li> <li>• Financial Services</li> <li>• Energy &amp; Utilities</li> <li>• Healthcare &amp; Hospitality</li> </ul>	<ul style="list-style-type: none"> <li>• Onboarding</li> <li>• Labor spend Optimization</li> <li>• Worker Performance Tracking</li> <li>• Compliance and Reporting</li> </ul>

 <b>Key Partnerships (Past and Present)</b>	<b>Key Developments (Past and Present)</b>						
<table> <tr> <td data-bbox="38 1089 287 1178">Tax Engine Partner</td><td data-bbox="287 1075 759 1178"></td></tr> <tr> <td data-bbox="38 1178 287 1272">Contracts Partner</td><td data-bbox="287 1178 759 1272"></td></tr> <tr> <td data-bbox="38 1272 287 1366">Invoicing Partner</td><td data-bbox="287 1272 759 1366"></td></tr> </table>	Tax Engine Partner		Contracts Partner		Invoicing Partner		<ul style="list-style-type: none"> <li>• In May 2020, Coupa acquired ConnXus, a supplier diversity specialist in providing a suite of business spend management solutions</li> <li>• Coupa's CFO Todd R Ford sold 78,561 shares of Coupa on May 5, 2020 at an average price of \$191.69 for a total worth of \$15.1 million. The price of the stock increased by 1.06% since</li> <li>• In April 2020, Coupa acquired business travel company ETA with a view to add more travel technology to its profile. This will enable Coupa to do business travel booking like its rival SAP Concur</li> </ul>
Tax Engine Partner							
Contracts Partner							
Invoicing Partner							



Coupa: Capability Overview

Strength

- Coupa’s contingent workforce solution has the best user experience compared to other providers in the industry
- The company has been actively expanding its services to other markets across all regions
- It has a superior candidate sourcing and selection tool which includes machine learning and semantic matching

Weakness

- A few clients have reported that the implementation teams were not always fully knowledgeable of the intricacies of the product
- Coupa invests less in research and development as compared to the other growing players in the industry
- The marketing of products is not adequately done

Supplier Updates (Past 5 years)

Innovation

- In 2019, Coupa Pay announced its integration with online payments platform ‘Stripe’, which will able seamless virtual card payment processing within the Coupa Pay platform for vendors
- It also announced a partnership with ‘PayPal’, which will enable companies to make payments via PayPal with Coupa Pay, thereby expanding payment options


Growth Strategies

- Coupa has been on an acquiring spree in 2020 with its acquisitions of ConnXus and ETA. These acquisitions will add to Coupa’s service offerings as well as expanding its geographical presence and therefore is expected to lead to an increase in its revenue

Technological Advancements

- Coupa enhanced its Coupa Pay offering with the launch of Coupa Pay Invoice Payments, which enables accounts payable teams to seamlessly pay outstanding invoices via domestic bank transfer, cross-border payment or digital check

Workforce Logiq: Capability Overview



Company Snapshot

**Industry:** Information Technology Solutions

**Ownership:** N.A

**Headquarters :** Florida, United States

**Year Established:** 1999

**Number of Clients:** N.A

**Number of Employees (2018):** 1000+

**Number of countries:** Present in more than 50 countries

**Website:** <https://www.workforcelogiq.com>

**Company Type:** Private Parent

**Revenue (2018):** USD 1.8 billion




Key Industries Served

- Health Sciences
- Petroleum & Petrochemical
- Automotive
- Entertainment
- Education & Gaming






Key Service offered

- Workforce Requisition & Monitoring
- Process Improvement
- Cost Reduction
- Reporting
- Resource Allocation



Key Partnerships (Past and Present)

Recruiting Partner	
Staffing Partner	
Talent Management	

Key Developments (Past and Present)

- Workforce Logiq has been ranked #1 by HRO Today's 2020 Baker's Dozen Rankings for superior quality, breadth of service, and innovative technology offering
- In October 2019, Workforce Logiq acquired 'ENGAGE Talent', which delivers predictive analytics and AI software enabling better and faster decision making as well as helping to attract the market's best talent
- The company appointed Andrea Sugden as its Chief Global Sales Officer in July 2019 with a view to continue its global expansion

Workforce Logiq: Capability Overview

Strength

- The company has more than 1000 workforce management experts worldwide
- It is backed by the Carlyle Group and has over 8,000 global supplier relationships
- It currently has nearly \$4 billion spend under management
- Its MSP has been ranked #1 by HRO Today Baker's Dozen Customer Satisfaction Ratings in 2020
- Integration capability with ERP systems

Weakness

- Employees working in Workforce Logiq have raised concerns regarding insufficient training being provided to them in handling various software in use
- In addition, there have also been management issues which may indirectly affect the smooth functioning of the company

Supplier Updates (Past 5 years)

Innovation

- The company filed for a patent on its Proprietary Algorithm which identifies passive candidates most likely to be open to contingent opportunities by leveraging its award winning predictive analytics and Artificial Intelligence


Growth Strategies

- The company has been growing by acquiring and integrating with other providers to offer superior services and expand their offerings. It recently acquired 'ENGAGE Talent' and integrated with 'Upwork', a freelance marketplace which will help its customers to source and hire freelance workers

Technological Advancements

- Workforce Logiq is the industry's first company to introduce Predictive Workforce Management, that combines the industry's leading expert advisors, global technology platform, proprietary market benchmarks and patent-pending data science to help companies make more informed talent decisions faster, earlier and cost-effectively

AgileOne Acceleration: Capability Overview



Company Snapshot

**Industry:** Information Technology Solutions

**Ownership:** ActOne Group of Companies

**Headquarters :** California, United States

**Year Established:** 1999

**Number of Clients:** N.A

**Number of Employees (2018):** ~500

**Number of countries:** Present in 22 countries

**Website:** <https://www.agile-one.com>

**Company Type:** Private Subsidiary

**Revenue (2018):** USD 65 million




Key Industries Served

- Energy
- Pharmaceutical & Healthcare
- Media & Entertainment
- Manufacturing & Consumer Goods
- Insurance




Key Service offered

- Job Requisition
- Workforce Onboarding
- Time Tracking
- Job Order Fulfilment
- Reporting & Compliance




Key Partnerships (Past and Present)


Staffing Partner



Staffing Partner



Technology Partner



Key Developments (Past and Present)

- In June 2019, AgileOne announced the appointment of Tatiana Ohm as its Managing Director for Europe. Tatiana will be responsible for managing day-to-day operations and business development for the company across the European Union (EU)
- Bristol-Myers Squibb selected AgileOne as its contingent workforce talent solutions partner in August 2018

## AgileOne Acceleration: Capability Overview

### Strength

- The company offers integrated managed services (MSP). Customers have the option of opting for the integrated services or stand-alone solution
- It offers various technology solutions which includes Acceleration VMS, Acceleration SOW, Acceleration ICC, Direct Sourcing and Talent ETL
- The user experience is good with fast track processes available and configurable for volume hiring
- Integration capability with ERP systems

### Weakness

- The company has not completed any mergers or acquisitions over the years which may impact the growth of the company
- Employees have reported poor working conditions and low pay scales, which can adversely affect the productivity of the organization

## Supplier Updates (Past 5 years)

### Innovation

- In 2018, the company launched 'Talent ETL', a candidate engagement & talent acquisition middleware that integrates with existing front-end & back-end systems, allowing pooling of candidates into a single database, search, screen and engage a wide range of talent which includes freelancers, contractors, temporary & full-time workers


### Growth Strategies

- The company is constantly innovating its technology solution offerings which is enabling customers to improve efficiency and achieve cost reduction. Also, the integrated MSP services offered by the company is propelling its growth further

### Technological Advancements

- The company's Acceleration VMS technology gives access to 'BANG' (Business Analytics for Next Generation), which is a software that gives access to real-time information enabling customers to get cost projections based on time, assignment length, work hours, and bill rate. It also enables customers to get access to reports & dashboards that presents data visually

Provade: Capability Overview



Company Snapshot

**Industry:** Information Technology Solutions

**Ownership:** Smart ERP Solutions Inc

**Headquarters :** Wisconsin, United States

**Year Established:** 2004

**Number of Clients:** N.A

**Number of Employees (2018):** 60

**Number of countries:** Present in nearly 150 countries and territories

**Website:** <https://www.smarterp.com>

**Company Type:** Private Subsidiary

**Revenue (2018):** USD 6.3 million



Key Industries Served

- Information Technology
- Admin/Clerical
- Finance
- Healthcare
- Light Industries/Facilities



Key Service offered

- Talent Acquisition & Management
- Administration
- SOW & Projects Procurement
- Contingent Workforce Management
- Reporting & Analytics



Key Partnerships (Past and Present)

Staffing Partner



Staffing Partner



Staffing Partner



Key Developments (Past and Present)

- Provade was acquired by Smart ERP Solutions in February 2018. This deal is expected to favor Provade's growth by leveraging the technologies, resources and customer relationships offered by Smart ERP and accelerate the delivery of the company's innovative cloud solutions and long term vision



Provade: Capability Overview

Strength

- Majority of Provade's customers have more than \$1 billion in annual revenue
- The company has the capability to provide strong pre-built and custom reports
- It is renowned for providing strong vendor support throughout the project including during implementation
- Integration capability with ERP systems

Weakness

- The Provade VMS solution functions under Oracle as its recommended procurement solution. The company may find it difficult to function independently in case Oracle decides to stop recommending Provade
- The growth trajectory of the company has been shrinking over the past few years

Supplier Updates (Past 5 years)

Innovation

- Powered by Oracle cloud, the company has built a future proof cloud infrastructure. This enables to have an uptime of more than 99%, that provides access to users at all times

Growth Strategies

- Provade was acquired by Smart ERP in February 2018. This deal is expected to enhance Provade's technology offering as a result of Smart ERPs talent procurement capabilities

Technological Advancements

- Provade's technology has industry leading Business Intelligence tools that provide extensive dashboards, reporting and analytics. This helps all parties involved in the vendor management process to increase efficiency and therefore save costs

PIXID: Capability Overview



Company Snapshot

**Industry:** Information Technology Solutions

**Ownership:** Pix Sight

**Headquarters :** Courbevoie, France

**Year Established:** 2004

**Number of Clients:** N.A

**Number of Employees (2018):** 68

**Number of countries:** Present in 4 countries

**Website:** <https://www.pixid.com/fr/en>

**Company Type:** Private Subsidiary

**Revenue (2019):** USD 30 million



Key Industries Served

- Industrial
- Admin/Clerical
- Finance & Accounting
- Healthcare
- Information Technology



Key Service offered

- Job Requisition
- Timesheet generation
- Invoicing
- Dashboards
- Activity Overview



Key Partnerships (Past and Present)

Technology Partner	
Staffing Partner	
Software Partner	

Key Developments (Past and Present)

- PIXID acquired Dutch staffing CRM supplier 'Carerix' in April 2018. This acquisition is aimed to further strengthen its proposition and expand its operations
- In March 2017, the company acquired 'The Internet Corporation', which is the owner of applicant tracking system and recruitment software Amris

## PIXID: Capability Overview

### Strength

- The company primarily specializes on contingent workforce, enabling it to offer expert tailored solutions
- It has a strong presence in Europe, particularly in France where it is the market leader
- The technology has strong usability and the company is known to provide strong implementation and ongoing customer support
- Can be deployed in the cloud

### Weakness

- The company does not provide its services outside Europe and hence may lose out on good opportunities to grow
- The company does not support SOW spend and other services

## Supplier Updates (Past 5 years)

### Innovation

- PIXID, in collaboration with 'Kelly Services', a recruitment staffing agency, developed a pan-European talent attraction and resourcing solution for OYO vacation homes to recruit and onboard 500 sales and support staff across 20 European countries within 3 to 6 months


### Growth Strategies

- The company has been carrying rapid expansions across Europe with the acquisitions of 'The Internet Corporation' and 'Carerix'. The company has also launched its services in Netherlands and Ireland in 2019. These developments are expected to further support the growth of the company

### Technological Advancements

- PIXID's VMS platform 'my-Pixid' is a cutting-edge and fast-to-deploy technology that provides end-to-end temporary staffing solutions. This combined with Employee-Check, which is its advanced online candidate referencing platform provides a world-class solution to its customers

PeopleFluent: Capability Overview



Company Snapshot

**Industry:** Information Technology Solutions

**Ownership:** Learning Technologies Group PLC

**Headquarters :** Massachusetts, United States

**Year Established:** 1997

**Number of Clients:** N.A

**Number of Employees (2018):** 400

**Number of countries:** Present in 7 countries

**Website:** <https://www.peoplefluent.com>

**Company Type:** Private Subsidiary

**Revenue (2018):** USD 9 million



Key Industries Served

- Healthcare
- Retail
- Information Technology
- Engineering
- Industrial



Key Service offered

- Job requisition
- Onboarding
- Reporting & Analytics
- Consultancy services
- Education & Training



Key Partnerships (Past and Present)

Learning Partner



Technology Partner



Software Partner



Key Developments (Past and Present)

- Learning Technologies Group PLC, an integrated e-learning services and technologies provider, acquired PeopleFluent in May 2018

PeopleFluent: Capability Overview

Strength

- Majority of the company's customers are large organizations with more than USD 100 million in annual revenue
- The solution offered by the company is the strongest for the recruitment of contingent workers providing good global support
- Customers have reported a liking for the configurability and the vendor support of the company
- Integration capability with ERP systems

Weakness

- Few customers are less impressed with the usability of the solution
- The reporting and analytics offered by the company is not as advanced as that of its competitors

Supplier Updates (Past 5 years)

Innovation

- PeopleFluent solution offer on-demand video questionnaires and live video interview features. This allows the company to uncover new insights and provides a seamless interviewing experience and access to resumes and additional interview guides

Growth Strategies

- The acquisition of PeopleFluent by Learning Technologies Group PLC will give the company a global footprint and expand its service offering, thereby enabling it to grow

Technological Advancements

- PeopleFluent's Learning Management System is a comprehensive offering that allows people acquire new knowledge critical for compliance. Its Learning Analytics platform enables spontaneous measurement of learning. These features enable greater compliance leading to risk mitigation and therefore cost savings

3 Story Software: Capability Overview



A HAYS COMPANY

**Industry:** Information Technology Solutions

**Ownership:** HAYS PLC

**Headquarters :** Connecticut, United States

**Year Established:** 2007

**Number of Clients:** N.A

**Number of Employees (2018):** 26

**Number of countries:** Present in 12 countries

**Website:** <https://www.3storysoftware.com>

**Company Type:** Private Subsidiary

**Revenue (2018):** USD 5 million



**Key Industries Served**

- Finance & Accounting
- Healthcare
- Information Technology
- Admin/Clerical



**Key Service offered**

- Talent Acquisition
- Cost Capture
- Reporting & Analytics



**Key Partnerships (Past and Present)**

Technology Partner	
Staffing Partner	
Consulting Partner	

**Key Developments (Past and Present)**

- 3 Story Software was acquired by Hays PLC in May 2011. Hays PLC is one of the world's leading recruitment experts
- Hays reported a poor financial performance in Q1 of 2020 as its pretax profit and operating profit shrank owing to slumps in its U.K, and Ireland, German and Australian markets



3 Story Software: Capability Overview

Strength

- The company has a global reach, operating in 12 countries across the world
- The solution is renowned and rated well by customers for its ease of usability
- The company is constantly innovating and updating its solution and coming out with updates every 5 weeks, enabling companies to maintain efficiency in their operations
- Can be deployed in the cloud and has integration capability with ERP systems

Weakness

- 3 Story Software has very few system and data security certifications as compared to its competitors, which may act as a pitfall in securing new business

Supplier Updates (Past 5 years)

Innovation

- The company is launching a completely new reporting and analytics suite within the application, which makes reporting easy. It also helps managers to create their own reports and share with colleagues and simplifies the process of spotting trends and sharing progress






Growth Strategies

- The acquisition of 3 Story Software by Hays PLC in May 2011 enabled the company to benefit from its global reach, financial strength, world renowned brand. This has led to a steady increase in revenue over the years

Technological Advancements

- 3 Story Software has enhanced its VMS solution with a complete re-write of its user interface with a view to improve user experience for hiring managers. Hiring managers can now submit a request for a new worker or a worker can submit their timesheet as they leave for the day through the mobile app itself

## Vendor Management System: Emerging Innovators

Connecteam	Connecting Expertise	Tipalti	Supplier Name	Kalo
				
<p><b>1</b></p> <ul style="list-style-type: none"> <li>Established in 2014 and headquartered in New York, Connecteam is a mobile-first solution for managing and engaging vendors &amp; contingent workers</li> <li>Its features include a comprehensive manager dashboard, pre-made templates, workflows, built-in time clock with geo-tagging capabilities and extensive integration with payroll management systems</li> </ul>	<p><b>2</b></p> <ul style="list-style-type: none"> <li>Established in 2007 and headquartered in Belgium, Connecting-Expertise is a cloud-based solution, that automates many steps of the hiring process, from recruitment &amp; contract management to tracking &amp; invoicing</li> <li>It was nominated in the Deloitte Fast 50 2018, winner of the Supply Chain award 2014 and was included in the top 20 players by Staffing Industry Analysts</li> </ul>	<p><b>3</b></p> <ul style="list-style-type: none"> <li>Established in 2010, Tipalti is an award-winning global payment automation solution that helps companies manage vendor and supplier payments, from onboarding to tax compliance, all in an online cloud-based solution</li> <li>It is best suitable for businesses looking to manage their payroll &amp; streamline other payment processes</li> </ul>	<p><b>4</b></p> <ul style="list-style-type: none"> <li>Established in 2006 and headquartered in Sydney, Australia, Beacon is a modular system to manage safety, risk, compliance &amp; other aspects of contractor employment</li> <li>It is most suitable for businesses in highly regulated &amp; high-risk industries including construction, aviation, transport, services &amp; healthcare</li> <li>It includes modules for auditing, vendor training</li> </ul>	<p><b>5</b></p> <ul style="list-style-type: none"> <li>Established in 2015 and headquartered in San Francisco, United States, Kalo is an online tool built to manage freelancers</li> <li>Its features include issuing payments, managing invoices and tracking vendor performance and qualification</li> <li>It allows vendors to manage and update their profiles online and is suitable for project-based work</li> </ul>

# Vendor Management System

## Category Commandments

● April ● May ● June ● July ● August ● September

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## Vendor Management System: Recommendations

Which type of service model should companies look to adopt?	
Observation	Recommendation
<ul style="list-style-type: none"> <li>It has been observed that companies generally go for an independent VMS player and a third party MSP since it gives them expertise in both areas as well as the independence to choose the MSP provider of their choice, thus reducing the risk of being engaged with an inefficient MSP provider</li> </ul>	<ul style="list-style-type: none"> <li>An optimal way to manage contingent workforce would be by having an independent VMS provider with a third party MSP or adopting direct sourcing</li> <li>Direct sourcing further reduces cost and also the risk of being associated with an inefficient MSP, making it a preferred service model to be adopted</li> </ul>
Which pricing model is most suitable?	
Observation	Recommendation
<ul style="list-style-type: none"> <li>The fee as a percentage of spend is the most popular pricing model used in practice</li> <li>The fixed, flat fee model depending on spend level is also being moderately adopted by companies</li> </ul>	<ul style="list-style-type: none"> <li>The fee as a percentage of spend model optimizes cost when volumes are low. Companies can also negotiate for lower percentages in case of huge volumes, which gives them a benefit. Hence, it is recommended to opt for this pricing model</li> </ul>
Which are the best-in-class VMS providers?	
Observation	Recommendation
<ul style="list-style-type: none"> <li>SAP Fieldglass, Coupa and Beeline rank high in terms of their functionalities, reporting and integration capabilities, geographical presence and spend under management</li> </ul>	<ul style="list-style-type: none"> <li>Companies should analyze the service capabilities of these providers, their integration capabilities with existing systems, geographical presence and choose the best-fit provider based on their requirements</li> </ul>



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