

IDC MarketScape: Worldwide SaaS and Cloud-Enabled Enterprise Finance and Accounting Applications 2023-2024 Vendor Assessment

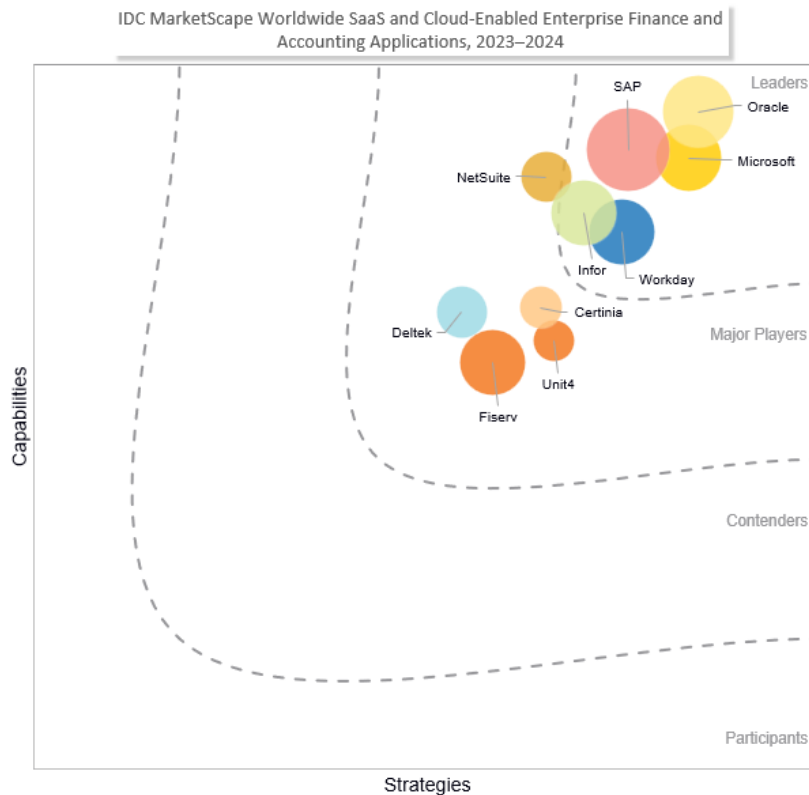
Kevin Permenter Jordan Steele

THIS IDC MARKETSCAPE EXCERPT FEATURES INFOR

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide SaaS and Cloud-Enabled Enterprise Finance and Accounting Applications Vendor Assessment



Source: IDC, 2023

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide SaaS and Cloud-Enabled Enterprise Finance and Accounting Applications 2023-2024 Vendor Assessment (Doc # US51405823). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

The current uncertainty has shifted the emphasis toward speed and business resiliency. The processes of financial close, budgeting, forecasting, and cash management are being forced to become faster and more efficient overnight as the market dynamics forced operational changes and modification of business goals from week to week (day to day in some cases). This is ushering in a new way of thinking about the future of financial operations and the tools needed to be effective in an uncertain future.

In the past, much of the financial leader's role was to manage rear-facing details like closing the period, reconciling general ledger (GL) transactions, invoice matching, or cash application. While those will always be important, the current market uncertainty has put more focus on forward-looking activities like forecasting, budgeting, and planning. With the pace of change in overdrive, financial leaders had to invest large amounts of time trying to anticipate the next major change in business dynamics or trying to develop a financial strategy to anticipate future shifts in market dynamics. In the future, we will see the demand for more analytics, reporting, and data visualization tools. This trend will continue to accelerate and shape buying decisions for financial leaders. Here are some of the benefits of more advanced financial analytics capabilities:

- **Financial reporting and analysis:** CFOs establish one complete source of truth for all financial reporting and analyses while reducing the risk of data errors across business units and geographies. Dashboards, trend analyses, forecasts, and visualizations bring immediate insights into business challenges and opportunities. One integrated platform for ERP systems can contain all the financial data including accounts receivable (AR), accounts payable (AP), COGS, GL, and FP&A information, so finance has consistent daily and monthly processes that support detailed subledger data.
- **Improved agility and innovation:** Agility is one of the top benefits for enterprises with cloud-based systems. Organizations can quickly and easily adopt innovative new features, which can help them stay competitive and responsive to customer and market needs. CFOs can optimize finance processes and operations in a secure, integrated, and cloud-based system while empowering next-gen global finance automation, predictive analytics, and multi-geo-specific compliance capabilities.
- **Reporting compliance:** Moving to a single, integrated, and consolidated ERP platform provides the stability needed to tackle new IFRS rules. Organizations find integrated cloud-based solutions with capabilities of data collection, calculations, reporting, and disclosures, which means it is far easier to maintain compliance.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

The vendor inclusion list for this document was selected to accurately depict the vendors that are most representative of any given finance and accounting application functional buyer's selection list. Vendors were further investigated to ensure that their offerings qualified as "SaaS or cloud enabled" and the vendor had won recent deals. Further, participant companies were asked which other vendors they most often compete against in deals. In addition, the finance and accounting application must be able to be purchased and implemented separately from other associated financial/ERP software. Preference was given to companies with revenue of more than \$10 million and/or that were on our watch list of companies within this market.

The vendor inclusion list for this document seeks to accurately depict the vendors that are most representative of any given software application on the buyer's selection list based on the items that are described as follows:

- Vendors must have a SaaS or cloud offering – on premises-only applications are out of scope.
- Software applications can be purchased separately (not only functionality built into a larger system) and are available off the shelf without required customization.
- Software application has capabilities for general ledger, budgeting and planning, treasury, accounts payable, accounts receivable, fixed asset, financial close, and financial reporting.
- The vendor had 2023 revenue in at least two countries.
- The vendor had at least \$10 million in 2023 software revenue.
- The vendor must have a minimum of one financial accounting product in the market for at least three years.
- The vendor must have a significant footprint with businesses with more than 1,000 employees.

ADVICE FOR TECHNOLOGY BUYERS

Finance and accounting applications are evolving rapidly as vendors invest research and development dollars in bolstering, augmenting and, in some cases, redesigning their applications. The applications must align with the new digital enterprise and its preferred way to absorb technology. The vendors must work to align their go-to-market strategies and product development strategies with the new digital enterprise. While the vendors in this study may vary widely in size, experience, levels of support, and sales model, the goal for all the vendors listed in this study is the same – create/curate a differentiating user experience. To do that, the user experience must go beyond the software to include the sales process, accounting management, implementation, and post-implementation support.

As a buyer in this market, a few of the key questions to consider during the buying process are:

- **Begin by looking inward.** Before making purchasing decisions on software, a few key questions to ask regarding the internal resources and processes are:
 - What are some of the issues I would like to resolve with this new system?
 - Are the issues technology related?
 - What are my internal support resources and capabilities?
 - How should we define success for this implementation?
 - Which internal stakeholders should we include in the evaluation processes?

- How will a new system change my organization?
- **Select the right partners (internal and external).** The first step in the journey to implementing finance and accounting systems is developing a strategy and plan for the implementation. This includes doing due diligence in finding the right vendor. A few key questions to ask regarding the software vendor are:
 - Does the vendor have experience with my type of product, service, and company size?
 - Can the vendor show me a hands-on demo with my organization's "live/real" data to show the benefit to the business?
 - Does the vendor understand the regulations that will impact my business? How are these regulations reflected in my current product, and how will it change in the future?
 - What is the vendor's strategic investment outlook for the next three to five years? Why? How will that change and enhance my business?
- **Consider the foundation.** Finance and accounting applications vendors have seen many iterations from a technology architecture standpoint. Even among cloud vendors, there are many different varieties of software architectural approaches. IDC believes that taking time to understand the foundation of the software and its advantages (or limitations) is of critical importance during the buying decision. A few key questions regarding the software vendor are:
 - What is the data flow design within the current solution?
 - What kinds of APIs are available now from this vendor? RESTful? SOAP? GraphQL?
 - What kind of developer tools does the vendor provide (e.g., sandbox, dedicated portal, low-code/no-code tools, and database management tools)?
 - Is any part of the software currently built on a microservice architecture? If so, which parts?
- **Take ownership of the implementation.** For the best results, organizations must take a very active role in the actual implementation of the software. Finance and accounting software touches upon a lot of other back-office systems (budgeting and planning, accounts payable, payroll, sales management, talent management, etc.). As a result, extreme attention must be given to how the finance and accounting system is set up and how it interacts with other systems within your organization. A few key questions to ask regarding the software implementations are:
 - What levels of support are available, and are they geographically available for my business?
 - How should I set up the service-level agreement (SLA) before signing any contracts?
 - Can the system integrate with my company's other IT systems and those of my partners?
 - Which IT system needs to be integrated and to what degree?
 - How are we set up to deal with frequent product updates?
- **Note that post-implementation is critical.** In many ways, the success of any SaaS implementation hinges on what happens after the implementation is up and running. This is where change management takes center stage and the people's side of finance and accounting management becomes essential. A few key questions to ask regarding the post-go live phase of software implementations are:
 - Do we have a strategy to encourage rapid adoption among employees?
 - Do we have the right amount of training for employees to master the new features within the system?

- Are we communicating the purpose and benefits of the system change to the relevant employees?
- Have we aligned existing policies and procedures to enable the adoption of the new workflows?

This IDC MarketScape assists in answering the aforementioned questions and others.

VENDOR SUMMARY PROFILE

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Infor

After a thorough evaluation of Infor's strategies and capabilities, IDC has positioned the company in the Leaders category in this 2023-2024 IDC MarketScape for worldwide SaaS and cloud-enabled enterprise finance and accounting applications.

Infor is a provider of business cloud software products for companies in industry-specific markets. Infor builds complete industry suites in the cloud and efficiently deploys technology that puts the user experience first, leverages data science, and integrates easily into existing systems. Its CloudSuite Financials provides a full suite of SaaS financial capabilities such as global general ledger, close and reconciliation management, accounts payables and matching, receivables and interbillings/intrabillings, lease accounting, grant management, asset accounting, project ledger, financial, planning, budgeting and analysis, capital budgeting, cash management and treasury, and reporting and business analytics.

Quick facts about Infor include:

- **Employees:** 17,000
- **Total number of clients:** 60,000+
- **Globalization:** 13 countries
- **Industry focus:** Industrial manufacturing, aerospace and defense contractors, process manufacturing and distribution, food and beverage, fashion, service industries, finance, public sector, HCM, and healthcare
- **Pricing model:** User based
- **Partner ecosystem:** 2,000+

Strengths

- **Third-party relationship management:** Infor has developed strong relationships with other industry participants and third parties, which enables its development and product management teams to develop high-quality data transfer conduits (APIs), allowing for easy and successful transfer of data between Infor, customers, and other vendors that customers may be using.
- **Focuses on healthcare industry:** Infor prides itself on its commitment to "connecting the business of healthcare with the mission of healthcare" by putting focus on healthcare financial management and the tools necessary to enhance and improve the experience for its users.

Additional capabilities in real-time data analysis, supply chain management, and workflow adaptation facilitate more efficiency and resiliency for healthcare providers.

Challenges

- **Portfolio details:** Within the assessment's evaluation categories, Infor was weak in terms of additional portfolio offerings, such as industry-specific features, to supplement the financial management solution. Infor can look to improve this by incorporating more industry-specific features and additional portfolio offerings.
- **Increased competition:** With so many legacy suites and large established financial management solutions available, it can be difficult to stay relevant in the market. However, while larger solutions have the ability to provide extensive capabilities with a lower price point, smaller, industry-specific solutions can provide exceptional value within their specific verticals, giving them the edge they need to remain competitive.

Consider Infor When

Consider Infor when you are searching for a provider of industry-specific solutions that are easily integrated and provide extensive capabilities that facilitate informed decision making.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

Financial Applications

Financial applications are designed to support accounting, financial, and treasury and risk management functions. The financial applications market consists of the submarkets discussed in the section that follows.

Financial and Accounting

Accounting software supports general financial management business processes such as accounts payable (AP), accounts receivable (AR), general ledger, and fixed asset accounting as well as more specialized functions such as credit and collections management and automation, dispute resolution, expense management, lease management, project accounting and costing, tax and revenue management and reporting, nonprofit fund accounting, point of sale, and transactional financial reporting and analytics embedded into accounting applications. Financial and accounting solutions are used by organizations of all sizes to manage finances.

LEARN MORE

Related Research

- *Worldwide Financial Applications Forecast, 2023-2027: Harnessing Financial Data Is Paramount* (IDC #US50231823, June 2023)
- *Worldwide Financial Applications Market Shares, 2022: Role of CFO Continues to Expand* (IDC #US49193923, June 2023)
- *IDC's Worldwide Software Taxonomy, 2023* (IDC #US50513623, April 2023)
- *IDC Market Glance: Financial Applications, 1Q23* (IDC #US50231223, March 2023)
- *Advice for the Financial Applications Buyer: Advice, Tips, and Signposts for the Financial Applications Buyers in 2023* (IDC #US50493123, March 2023)

Synopsis

This IDC study provides an assessment of the leading SaaS and cloud-enabled enterprise finance and accounting management software solutions and discusses the criteria that are most important for companies to consider when selecting a system.

"CFOs must be able to effectively communicate not only a business' financial position but also the business' mission, purpose, and social standing. Vendors choosing to sell tools/platforms into this space must work to support this evolving role," says Kevin Permenter, research director, Financial Applications at IDC.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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