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The Forrester Wave™: Services Procurement, Q1 2017

Beeline, DCR Workforce, PRO Unlimited, And SAP Fieldglass Lead In Software For Managing Contingent Workers, Consulting, And Outsourcing Services

by Andrew Bartels

March 31, 2017 | Updated: April 24, 2017

Why Read This Report

Services procurement products help firms acquire the contractors, consultants, and outsourcers that they need to win, serve, and retain customers in the age of the customer. In our 40-criteria evaluation of services procurement vendors, we identified the eight most significant ones — Beeline, DCR Workforce, IQNavigator, PeopleFluent, PIXID, PRO Unlimited, Provade, and SAP Fieldglass — and researched, analyzed, and scored them (Beeline and IQNavigator merged after we started this Forrester Wave evaluation). This report shows how each provider measures up and helps CIOs and sourcing and vendor management (SVM) professionals make the right choice.

Key Takeaways

CIOs And SVM Pros Need Software To Source And Manage Services Spending
Demand for services procurement is growing because CIOs and SVM professionals need better ways to find, engage, and manage the contingent workers and service providers they depend on.

Beeline, DCR Workforce, PRO Unlimited, And SAP Fieldglass Lead The Pack
Our research uncovered a market in which Beeline, DCR Workforce, PRO Unlimited, and SAP Fieldglass are Leaders for contingent workers and for consulting and other services. IQNavigator, PeopleFluent, and Provade offer competitive options. PIXID is a good choice in France.

Coverage Of Services Categories, Freelance Workers, And Analytics Are Key Differentiators
Functions for selecting and managing contingent workers are becoming standardized, so the key differentiators are support for freelance workers, rate and workforce analytics, and, especially, support for consulting and outsourcing services.

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by Andrew Bartels
with Matthew Guarini, Robert Valdovinos, and Ian McPherson
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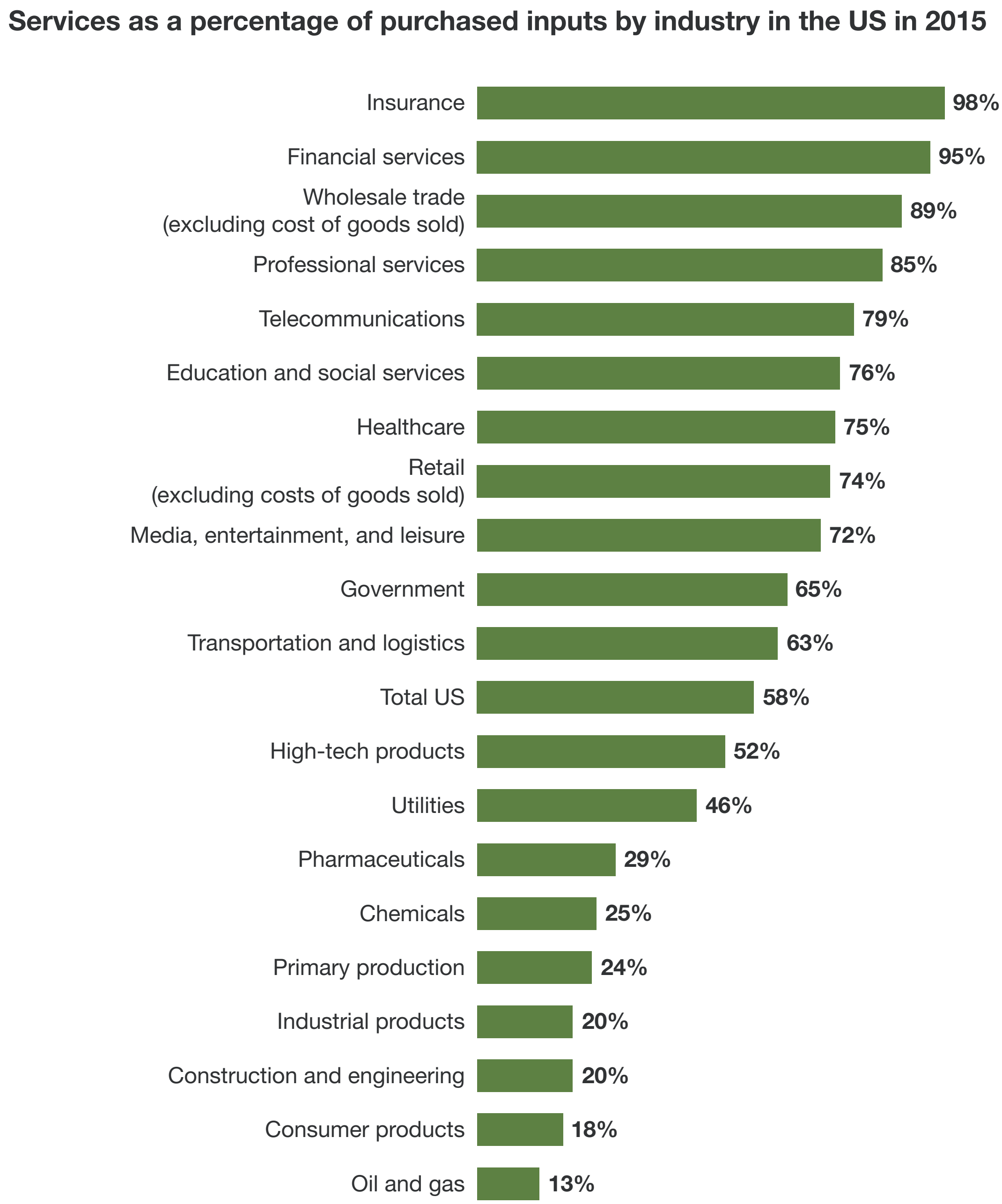
Services Procurement Helps Firms Manage Growing Services Spend

To win, serve, and retain customers in today's highly competitive market, firms depend heavily on outside resources like consulting firms, outsourcers, and contractors to complement and supplement their internal staff. Acquiring and managing these external resources is critical, in terms of both cost and meeting customer needs. Services procurement products help firms get the best results from their external resources.

Forrester last evaluated the leading vendors in the services procurement market in 2014 — when the software was generally still called vendor management systems (VMS) — in "The Forrester Wave™: VMS, Q1 2014." In this Forrester Wave, we provide our updated evaluation of services procurement software. We use this label to emphasize the importance of services. In the US and other developed economies, businesses and governments spend more on services than they do on goods like direct materials or indirect materials or on energy. In the US in 2015, across all industries, services represented 58% of all nonstaff purchased inputs. In financial services, insurance, professional services, telecommunications, education, and healthcare, services made up three quarters or more of external spending (see Figure 1).

FIGURE 1 Services Represent A Large Portion Of Most Firms' External Spending



Source: "Composition of Gross Output by Industry," US Bureau of Economic Analysis

The Services Spending Opportunity — And Challenge

Gaining control of services spending represents both a challenge and an opportunity for chief procurement officers and other SVM professionals. There is also an opportunity for CIOs: Spending on tech consulting services, contractors, and tech outsourcing services each represent a total of 7% of typical US enterprise tech budgets — or a total of 21% across all three categories.

While CPOs and CIOs have had great success in gaining control of their spending on physical goods like direct materials, supplies, and equipment, they have shown less progress in their management of services spending. The primary reason is that buying services and managing services providers are much more complex than buying physical goods because of the following factors:

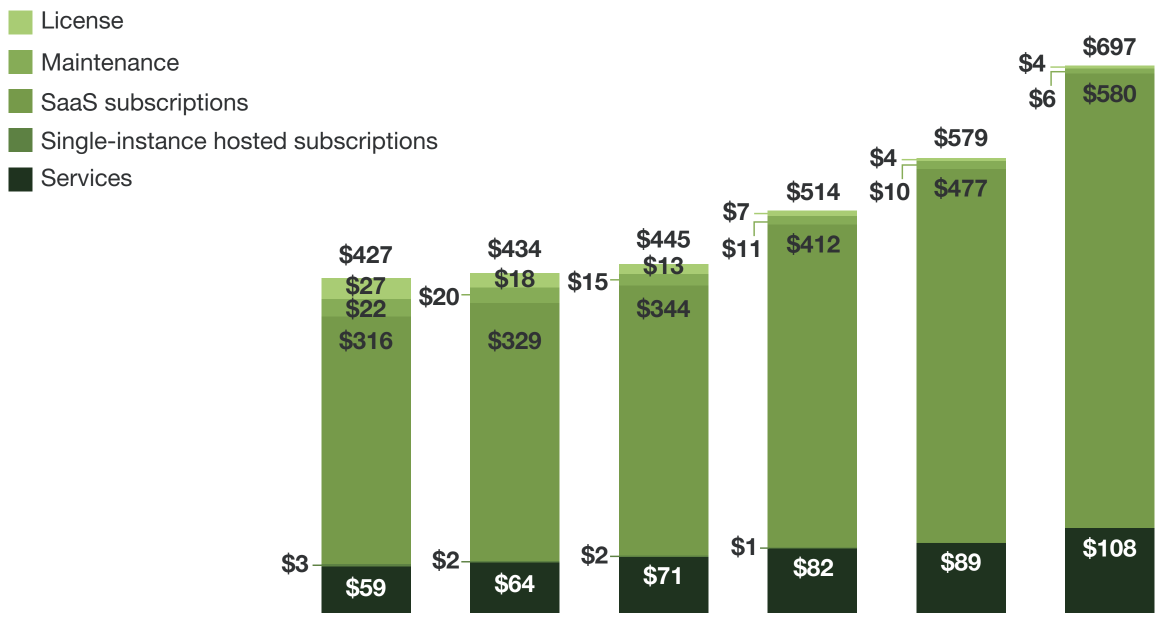
- **A complex, interactive selection process.** When you buy a physical good, you pretty much know what you will get from the product description and pricing. But when you engage a temporary worker, a consulting, legal, or accounting firm, or a business service providers, the selection process is more complex. The worker or firm you want may not be available when you want them. The skills or expertise you want may not be what you need, so you may need to change your requirements.
- **Credential checking and vetting.** The character or potential performance of a contractor or services provider is more important in services than in goods purchases. You want to make sure the people you are engaging have the right licenses, no criminal record, and no issues of drug or alcohol abuse. You want to check their references.
- **Access to corporate facilities and systems.** When you engage a contractor or a consulting firm, you will often want them to come into your facilities. That means issuing them badges, providing them with network access, and maybe providing a PC to use.
- **Performance monitoring and recording.** When you buy a good, you generally know what you are getting when it shows up on your doorstep. But when you engage a contractor or a consulting firm, you don't really know whether you got what you paid for until they leave your doorstep at the end of the day or end of the project. So, it is critical to record the completion and quality of the work that's done when it is done.
- **Different pricing models.** While contractors are generally paid on an hourly basis, consulting projects and outsourcing work use a variety of pricing models, such as time-and-materials, milestone-based, deliverables-based, or SLA-based.
- **A general lack of online order management systems.** The vast majority of manufacturers, wholesalers, and B2B retailers have online order management systems that can receive a purchase order from a customer and immediately verify availability and delivery times. In contrast, apart from transportation and travel providers and staffing companies, most providers of human-based services still manually handle customer orders and requests for information, quotes, and proposals.

Services Procurement Software Enables Firms To Manage Services Spending Effectively

General eProcurement and eSourcing software products do a poor job of handling these complexities in services purchases. That gap has created the opening for services procurement software to increase adoption over the past two decades to help CPOs, CIOs, and SVM professionals gain better control of their firms' services spending. Initially, these products focused on contingent workers, as this is a common services category across industries and the staffing companies offered strong support for clients that adopted services procurement software. But the other categories of services spending — like consulting services, outsourcing services, and business services — have common characteristics with contingent workers, and services procurement products are covering them as well. Global spending on services procurement solutions has risen to over $500 million in 2016 and will approach $700 million in 2018, primarily in the form of SaaS subscription fees (see Figure 2).

FIGURE 2 Services Procurement Revenue Is Growing Strongly After A Slowdown In 2014 And 2015

Services procurement revenues by type of revenue
(US$ millions)



% change from prior year	**2013**	**2014**	**2015**	**2016**	**2017***	**2018***
License	3%	-35%	-25%	-45%	-51%	5%
Maintenance	-4%	-9%	-26%	-26%	-13%	-42%
SaaS subscriptions	22%	4%	5%	20%	16%	22%
Single-instance hosted subscriptions	4%	-1%	-31%	-22%	-82%	11%
Services	9%	9%	10%	16%	9%	21%
Total (US$ millions)	**17%**	**2%**	**3%**	**15%**	**13%**	**20%**

*Forrester forecast

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Contingent Worker Markets Are Evolving From MSPs And Toward Freelancers

Services procurement products originated as mechanisms for the acquisition and management of contingent workers, either directly from a staffing company or through managed service providers (MSPs) that handled the selection of staffing companies and their billing. These worker selection tools became standalone software products, as companies increasingly wanted the ability to choose workers from different staffing companies or to switch MSPs without changing the VMS tools that their employees were used to.

More recently, three major trends have been reshaping the market for services procurement tools for contingent workers:

› **Separation of MSPs from VMS tools.** For many years, firms liked the combination of VMS and MSPs because it provided them with an integrated software and services solution for managing their contingent workers. Vendors also liked the combination because it provided a complementary revenue stream to their software sales. However, over time, client firms have started to migrate away from MSPs to a self-managed model to avoid fees.[1] This trend accelerated as firms expanded their scope of coverage into other services categories in which their MSPs lacked expertise. Vendors that did not offer an MSP started to grow faster than those that did. This led several players to drop their MSP offerings, leaving just one player in the MSP space.

› **The rise of freelancers and self-sourced talent pools.** A trend that has reinforced the shift from MSPs is the growth of freelancer markets, which allow independent contractors to post for work from companies. Initiated by startups like OnForce, Freelancer, and Upwork, dozens of freelance markets have popped up around the world for a wide range of skills.[2] Some large firms have seen an opportunity to create their own freelance talent pools, starting with retirees and alumna (like a parent taking time off to raise a child) who want part-time work, and are now expanding these programs to customers or the general public.

› **The growing importance of rate and workforce analytics.** As firms reduce their use of MSPs and increase their use of freelancers, they are looking for analytics about market rates for specific types of contingent workers instead of relying on the contracted rates from their staffing vendors. They are also looking for analytics about all their external worker consumption (both as contingent workers and in projects), and they are starting to look for total workforce analytics that pull in data on permanent staff.

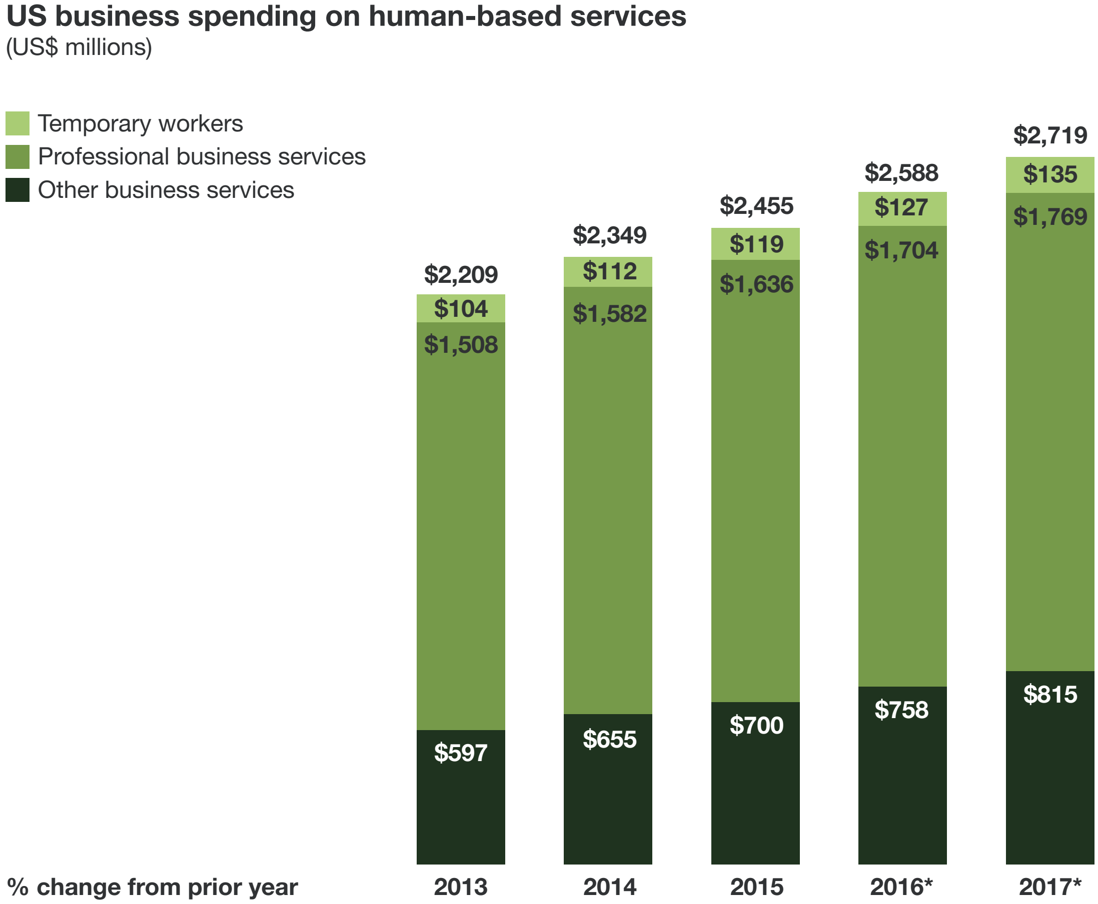
Contingent Workers Are The Tip Of The Services Spend Iceberg

More important than the trends in the contingent worker space are the opportunities for using these products to manage other categories of a firm's services spending.

- **Temporary workers are a tiny portion of firm spending on all services categories.** Looking just at human-based services (and excluding transportation, telecom, utilities, insurance, and financial services), spending on contingent workers in the US will be $135 billion in 2017, compared with close to $1,800 billion on professional services and over $800 billion on business services like security, landscaping, and facilities (see Figure 3).

- **Most services procurement solutions only touch a fraction of services spend.** Services procurement vendors want to help firms manage these other services categories, and they report that more and more of their clients are using their products for services categories beyond contingent labor. Still, most services procurement clients are using them exclusively or primarily for contingent workers.[3] As a result, our analysis shows that the spend-under-management with these products still skews heavily toward contingent workers, with 68% of the spend-under-management for the vendors in our Forrester Wave coming from contingent workers. Overall, well over two-thirds of all vendor revenue comes from their support for these workers (see Figure 4).

FIGURE 3 Temporary Workers Are A Small Fraction Of Business Purchases Of Services



% change from prior year	2013	2014	2015	2016*	2017*
Temporary workers	4%	8%	6%	7%	6%
Professional business services	2%	5%	3%	4%	4%
Other business services	4%	10%	7%	8%	8%
Total human-based services	**3%**	**6%**	**5%**	**5%**	**5%**

Source: Forrester Research, based on US Census Bureau Services Survey
*Forrester forecast

FIGURE 4 Services Procurement Vendor Revenue Still Comes Mostly From Contingent Workers

Services procurement revenues by type of services spending
(US$ millions)

% change from prior year	2013	2014	2015	2016*	2017*	2018*
Contingent workers	18%	1%	4%	15%	13%	20%
Other services	16%	5%	0%	16%	12%	23%
Total (US$ millions)	**17%**	**2%**	**3%**	**15%**	**13%**	**21%**

*Forrester forecast

Services Procurement Vendors Will Need New Functions And Approaches

To capture the full potential of services procurement, services procurement vendors will have to address the two big barriers to wider adoption:

› **Services spending is fragmented under C-level executives.** CPO and SVM professionals face the challenge of getting peers or superiors to adopt services procurement tools for managing their closest supplier relationships, such as legal counsels with outside legal firms, CFOs with accounting and auditing firms, CMOs with marketing and advertising agencies, or CEOs with management consulting firms. CIOs, who oversee spending with tech consulting and outsourcing firms, have the same issues and can serve as another channel for getting C-level executive interest and adoption of these solutions.

› **Most services providers have no integration into services procurement systems.** Staffing companies and MSPs have built their systems for presenting candidates, selection and scheduling of candidates, onboarding of candidates, and tracking of work done to interface with services procurement systems. But with very rare exceptions, most service providers have not done this, especially for highly skilled legal, accounting, management consulting, marketing consulting, or tech consulting.

To overcome these barriers, services procurement vendors need to strength their offerings in three areas:

1. **Services spend analysis.** C-level executives won't support or adopt services procurement solutions until they have data on their services spending. Services procurement products need to get better at capturing and classifying services spend that occurs outside their systems by adding more advanced spend classification tools, and they also need to improve how they package that data for the various C-level executives who control that services spending.
2. **Services sourcing tools.** General purpose strategic sourcing products can be used to choose and set the terms of engagement with services vendors. But they do a poor job of handling the multistage, interactive process of aligning consulting needs with vendor capabilities that is involved in services agreements. Services procurement vendors recognize that it is a long and often winding road from the services RFI to the services statement of work (SOW), and they are starting to add stronger eSourcing products into their offering. But they still have work to do.
3. **Services vendor integration.** Services procurement vendors, bolstered by support from the clients, need to engage with services providers to convince them of the benefits of redesigning their systems for order management, project management, and customer engagement to interface with services procurement vendors. Vendors are starting to do this, but it is still very much the early days.

Services Procurement Software Evaluation Overview

To assess the state of the services procurement market and see how the vendors stack up against each other and against the requirements for success in the broader services market, Forrester evaluated the strengths and weaknesses of top services procurement vendors. In past evaluations, this software product was called VMS, and this term is still widely used in the market, especially for products that focus on contingent workers. But we consider services procurement to be a more accurate and inclusive label, especially as these products are increasingly used for consulting, outsourcing, and other business services. After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against 40 criteria, which we grouped into three high-level buckets:

- **Current offering.** Our criteria included how well the products supported the purchase and management of contingent workers, freelance workers and self-managed talent pools, state-of-work and similar professional services, and business and outsourcing services. We also included criteria for reporting and analytics, integration, technology platforms (including support for mobile devices), globalization and compliance with local labor regulations, usability, and vendor support for their clients.
- **Strategy.** Our criteria included the vendor's product strategy for contingent workers and for SOW and other services, the vendor's pricing strategy, how important services procurement is to the vendor, and its financial resources to pursue its strategy.
- **Market presence.** Our criteria included vendor revenues from services procurement, the amount of spend-under-management, and the number of clients for its product.

Evaluated Vendors And Inclusion Criteria

Forrester included eight vendors in this assessment: Beeline, DCR Workforce, IQNavigator, PeopleFluent, PIXID, PRO Unlimited, Provade, and SAP Fieldglass. After the start of this evaluation, Beeline and IQNavigator announced a merger, but we evaluated both products because both will continue to be offered and supported for the next two years or so. Each of these vendors has (see Figure 5):

- **A dedicated services procurement product.** Unlike standard eProcurement and eSourcing products, services procurement products are specifically designed for the selection, scheduling, credential checking, on-boarding and off-boarding, and management of contingent workers and consulting or business services providers.
- **$10 million or more in revenues from these products in 2016.** This figure, which excludes vendor MSP revenues (if any), is an indicator that the vendor has enough presence in the market to be included in this evaluation.

FIGURE 5 Evaluated Vendors: Services Procurement Vendor Information And Selection Criteria

Vendor	Product evaluated	Product version evaluated	Version release date
Beeline	Beeline VMS & Beeline Self Sourcing		November 2016
DCR Workforce	SmartTrack +xChange	21.0.5	
IQNavigator	IQN Compass	16.11	
PeopleFluent	PeopleFluent Vendor Management System (VMS)	11.12	
PIXID	PIXID and MyPIXID	5.1	
PRO Unlimited	Wand Platform	XII	
Provade	Provade VMS (SaaS offering)		
SAP Fieldglass	SAP Fieldglass		November 2016

Vendor inclusion criteria

1. Offer a solution that covers both contingent workers and various categories of business and professional services.
2. Offer a services procurement solution that supports all the aspects of purchasing and managing contingent staff and other services purchases, including candidate credential checking, contractor or consultant onboarding and offboarding, coverage of the various payment models used for services (e.g., time-based, time-and-materials-based, deliverables-based, milestone-based, SLA-based, etc.), tracking and recording of the amount and quality of work performed, and the iterative scoping and pricing process involved in services purchases.
3. Had $10 million or more in revenues from its services procurement product in 2016.

Other Services Procurement Vendors

Two vendors that were in our last Forrester Wave for VMS products are no longer active. IBM Emptoris has stopped selling its services procurement product, and instead has a partnership with IQNavigator, which will continue after the merger with Beeline. Oracle, which had (and still supports) a PeopleSoft Services Procurement product as well as an E-Business Suite Services Procurement product, is now emphasizing its partner Provade instead.

In addition to the vendors that we evaluated, there are several other vendors that did not have sufficient revenues for inclusion in this Forrester Wave. Esize is a Dutch-based ePurchasing suite vendor that offers a workforce management module that covers contingent worker purchases. Ivalua is a French-based ePurchasing suite vendor with a module in its eProcurement product designed for complex services purchases. Nétive is a Dutch vendor with a VMS and a freelance management system. ZeroChaos provides both services procurement software for contingent workers and SOW and an MSP offering. 3 Story Software, a unit of the Hays Company, provides a software product for contingent worker purchases, which is most often included in the Hays MSP offering, but has been sold separately.

Vendor Profiles

This evaluation of the services procurement market is intended to be a starting point only. We encourage clients to view detailed product evaluations and adapt criteria weightings to fit their individual needs through our Forrester Wave Excel-based vendor comparison tool.

We have provided two versions of this Forrester Wave:

1. **Services procurement solutions for contingent workers.** We found in our client reference interviews that 60% were only using the product for contingent workers, with indefinite or no plans to expand coverage to other services categories. Respecting this preference, we have created one version of the Forrester Wave that emphasizes the criteria that are relevant for a contingent worker deployment. We have given more weighting to criteria with the most differentiation among vendors and to those criteria that reflect new aspects of those products, such as support for freelancers and self-managed talent pools (see Figure 6).

2. **Services procurement solutions for other services as well as contingent labor.** We believe that the future of services procurement lies beyond contingent workers, in helping firms manage the much larger volume of their spending on SOW consulting services, outsourcing services, and business services. Most firms are not ready to pursue this opportunity yet. But for those that are, we have created a second version of the Forrester Wave that evaluates vendors on their ability to help firms pursue this broader opportunity. We have given extra weighting to criteria that can help drive wider adoption of these products across a broad range of services categories. Examples would include spend analysis of services spend not going through the product (to show to C-level

executives the magnitude of services spending that they control), sourcing of services categories (to provide more effective selection of services vendors then standard eSourcing tools provide), and engagement with service providers (to help them integrate their order management and project management systems with services procurement tools) (see Figure 7).

FIGURE 6 Forrester Wave™: Services Procurement Solution For Contingent Workers, Q1 ’17

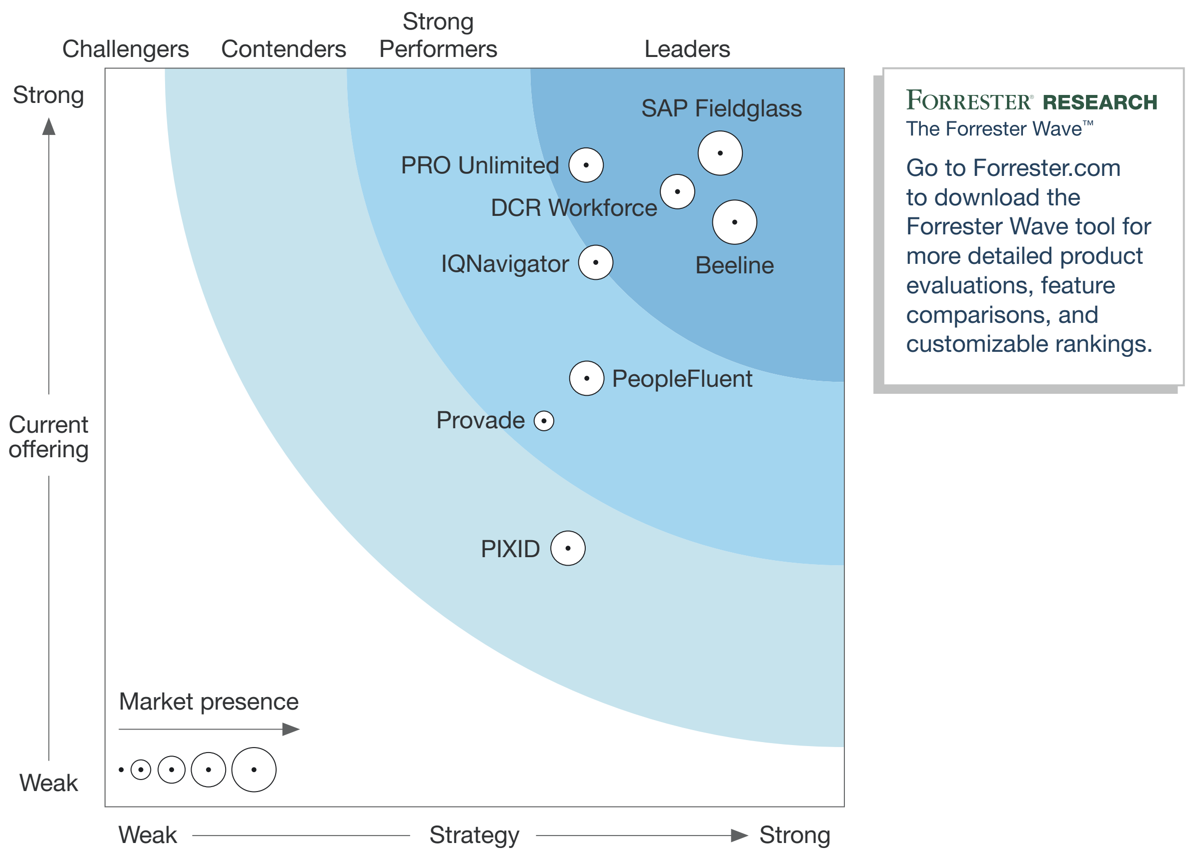
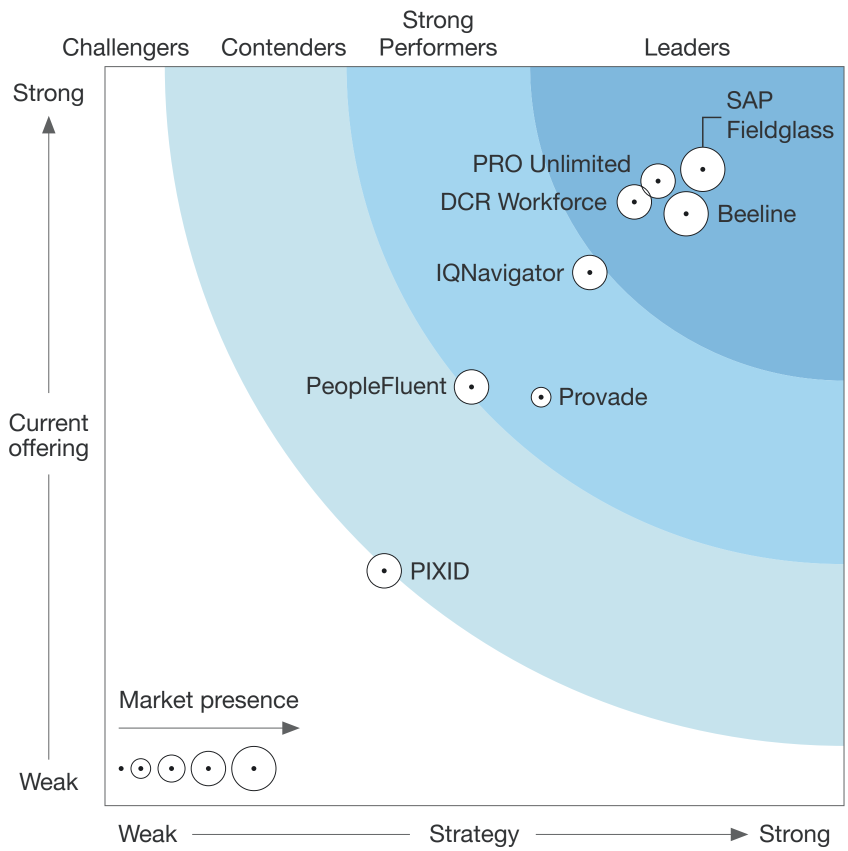


FIGURE 6 Forrester Wave™: Services Procurement Solution For Contingent Workers, Q1 '17 (Cont.)

	Forrester's weighting	Beeline	DCR Workforce	IQNavigator	PeopleFluent	PIXID	PRO Unlimited	Provade	SAP Fieldglass
Current Offering	50%	3.95	4.16	3.68	2.96	1.75	4.34	2.61	4.42
Functionality: contingent workers	20%	3.80	4.40	3.80	3.40	2.20	4.20	2.80	4.80
Functionality: freelance workers	25%	4.00	4.40	3.20	2.60	0.00	4.00	2.40	4.40
Functionality: project-based/SOW services and business/outsourcing services	0%	4.10	4.30	3.50	2.50	0.30	3.80	2.70	4.20
Reporting	20%	4.00	3.90	4.50	2.70	1.50	4.20	2.00	4.20
Integration	5%	3.80	4.40	4.40	1.60	2.00	4.00	2.60	4.40
Globalization	5%	4.50	4.50	4.50	1.50	1.50	4.50	3.00	5.00
Technology	5%	5.00	4.70	3.40	2.70	2.20	4.70	3.30	5.00
References	20%	3.60	3.60	3.00	4.00	3.60	5.00	3.00	4.00
Strategy	50%	4.26	3.87	3.32	3.26	3.13	3.25	2.97	4.16
Product strategy	65%	4.40	4.00	3.20	3.60	3.20	2.60	3.20	4.20
Corporate strategy	32%	3.90	3.50	3.40	2.50	2.90	4.40	2.40	4.00
Financial resources to pursue strategy	3%	5.00	5.00	5.00	4.00	4.00	5.00	4.00	5.00
Market Presence	0%	4.34	3.67	3.33	3.33	3.32	3.34	1.67	5.00
Installed base	33%	3.00	3.00	3.00	4.00	5.00	3.00	2.00	5.00
Spend-under-management	33%	5.00	4.00	4.00	3.00	3.00	3.00	1.00	5.00
Revenue	34%	5.00	4.00	3.00	3.00	2.00	.00	2.00	5.00

All scores are based on a scale of 0 (weak) to 5 (strong).

FIGURE 7 Forrester Wave™: Services Procurement For Contingent Workers And Other Services, Q1 ’17



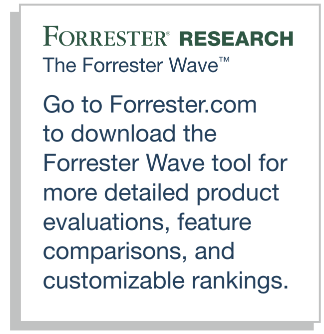


FIGURE 7 Forrester Wave™: Services Procurement For Contingent Workers And Other Services, Q1 ’17 (Cont.)

	Forrester’s weighting	Beeline	DCR Workforce	IQNavigator	PeopleFluent	PIXID	PRO Unlimited	Provade	SAP Fieldglass
Current Offering	50%	4.00	4.08	3.60	2.83	1.59	4.22	2.76	4.30
Functionality: contingent workers	10%	3.80	4.40	3.80	3.40	2.20	4.20	2.80	4.80
Functionality: freelance workers	10%	4.00	4.40	3.20	2.60	0.00	4.00	2.40	4.40
Functionality: project-based/SOW services and business/outsourcing services	30%	4.10	4.20	3.40	2.40	0.30	3.70	2.70	4.10
Reporting	15%	4.00	3.60	4.40	2.80	1.80	4.20	2.60	4.20
Integration	5%	3.80	4.40	4.40	1.60	2.00	4.00	2.60	4.40
Globalization	5%	4.50	4.50	4.50	1.50	1.50	4.50	3.00	5.00
Technology	5%	5.00	4.75	3.50	2.75	2.25	4.75	3.25	5.00
References	20%	3.60	3.60	3.00	4.00	3.60	5.00	3.00	4.00
Strategy	50%	3.93	3.58	3.28	2.48	1.89	3.74	2.95	4.04
Product strategy	67%	4.05	3.60	3.35	2.45	1.50	3.50	3.35	4.10
Corporate strategy	30%	3.55	3.40	2.95	2.40	2.55	4.15	1.95	3.80
Financial resources to pursue strategy	3%	5.00	5.00	5.00	4.00	4.00	5.00	4.00	5.00
Market Presence	0%	4.34	3.67	3.33	3.33	3.32	3.34	1.67	5.00
Installed base	33%	3.00	3.00	3.00	4.00	5.00	3.00	2.00	5.00
Spend-under-management	33%	5.00	4.00	4.00	3.00	3.00	3.00	1.00	5.00
Revenue	34%	5.00	4.00	3.00	3.00	2.00	4.00	2.00	5.00

All scores are based on a scale of 0 (weak) to 5 (strong).

Leaders

Four vendors are Leaders in both Forrester Wave evaluations, though with variations in strengths for contingent workers versus strengths for SOW and other services.

› **Beeline's strengths in contingent workers expand to other services categories.** Beeline's product performs all services procurement tasks capably with very good usability, strong coverage for most major countries around the world, very good technology and security underpinnings, and good mobile offerings. Its reporting and analytics are strong and will improve as it incorporates some of IQNavigator's advances in machine learning. Its acquisition of OnForce gave it direct experience in the freelance market without limiting its clients to just that one freelance market.[4] It has above-average capabilities for sourcing and negotiation and for services spend analysis, which is helping extend its coverage of SOW and other services. It should be noted though, like all the other vendors, it is not yet where it needs to be in these areas.

› **DCR Workforce remains a Leader in all categories of services procurement.** Once again, Forrester rated DCR Workforce as a Leader for services procurement solutions, just as we rated DCR Workforce a Leader in our 2014 evaluation. It has excellent support for contingent worker presentment and onboarding/offboarding, compliance management for freelance workers, and services provider supplier performance. It now has one of the most capable solutions for SOW services, though its clients are mostly using these for managing existing consulting services engagements, not for establishing them. Its reporting and analytics is solid, but not as advanced as some of its competitors. Its reference clients were very happy with its product's usability and appreciated DCR Workforce's willingness to go out of its way to meet client needs, though clients indicated that the implementation teams were not always fully knowledgeable of the intricacies of the product.

› **PRO Unlimited uses analytics, mobile, and customer support to become a Leader.** PRO Unlimited is the only vendor in our group that continues to offer its own MSP. While we think that is a strategic weakness in contingent staff, it is turning out to be an advantage for PRO Unlimited in broader services categories. Unlike traditional MSPs that concentrated on managing external suppliers for the client, PRO Unlimited's MSP focuses on driving cost savings through internal adoption and usage of its solution. One result is that PRO Unlimited has a higher proportion of SOW spend-under-management (51%) than other vendors. PRO Unlimited also had the highest evaluations by its clients for both product usability and vendor support. PRO Unlimited's WAND product showed strength in reporting and analytics, mobile support, rate structures for contingent workers, freelance compliance management, and services provider performance management. But sourcing management and buyer/supplier collaboration for SOW and other services are not as advanced as some competitors.

› **SAP Fieldglass retains its position as a Leader in this market.** SAP Fieldglass continues to be one of the most capable services procurement vendors, with the largest client base, the most spend under management, and the widest geographic presence. It provides very effective coverage of all aspects of contingent worker and freelancer engagement and competitive coverage of other services categories. Its reference clients were all using SAP Fieldglass for both contingent workers and SOW and other services, and they gave it positive ratings for both usability and vendor support. Reporting and analytics are on par with the other Leaders, but SAP Fieldglass has better global coverage than all but Beeline. As with other vendors, its spend analysis, services sourcing, and engagement with service providers are not where they need to be to allow clients to capture the full potential of services procurement.

Strong Performers

› **IQNavigator has a strong product for contingent workers, with strengths in analytics.** IQNavigator was a Leader in Forrester's last Wave in 2014, but it failed to keep up with changes in the market. It was slow to spin off its MSP or update its product's usability. As a result, its client momentum stalled from 2014 to 2016, leading it to seek the merger with Beeline. But IQNavigator has some real strengths, especially in reporting and analytics, where its Automated Talent Ontology Machine (ATOM) uses advanced machine learning to provide geographic predictors on benchmarks for talent availability. Its integration technology is also very good. Its product, which Beeline will continue to offer and support, is very competitive for contingent workers, but lags in its support for freelancers and SOW and other services, its technology platform, and its mobile support. Its reference clients were only using the product for contingent workers, and not for SoW; they gave the product average ratings for usability and vendor support.

› **PeopleFluent appeals to CPOs and to HR heads looking for total talent management.** PeopleFluent has taken a different path in this market. While it sells to the traditional CPO buyer and MSPs for its solution, its total talent management approach, which includes recruitment management and talent management solutions, also appeals to human resource heads. PeopleFluent's services procurement solution, which is available both as part of this broad talent management suite as well as a standalone product, is strongest in its coverage of contingent workers, where its offering ticks off all the boxes for a competitive solution and provides good global support. It is partnering to support freelancers. Its SOW capability is a newer offering and has fewer clients than its contingent offering. Its reporting and analytics meet the needs of its clients, but are less advanced than those of other vendors. Its reference clients, all of which were just using it for contingent workers, like its configurability and its vendor support, but were less impressed by the product's usability.

› **Provade focuses on the Oracle client base.** Started by former Oracle and PeopleSoft executives in the mid-2000s, Provade has found its footing in recent years within the Oracle ecosystem after struggling with different business models. It is used by Oracle as its own services procurement product, makes heavy use of Oracle's business intelligence apps and workflow solution, and is marketed by Oracle as Oracle's recommended services procurement solution. The Provade product does an average job of managing contingent workers and lags behind other vendors in support for freelancers or other services. Its prebuilt and custom reports are strong thanks to the underlying Oracle BI product, but it is not yet doing anything around rate or process benchmarking.

Its technology platform, mobile support, and globalization reach are adequate, but not on par with the Leaders. Its reference clients are mostly using the product for contingent workers, and gave the product average ratings for usability. However, they gave Provade much stronger ratings for vendor support both during implementation and on an ongoing basis.

Contenders

› **PIXID provides a solution well-tailored to the French contingent worker market.** PIXID is an outlier in our evaluation for two reasons: 1) its geographic focus on France and adjoining markets and 2) its focus on contingent workers. While this makes PIXID a poor choice for firms outside Europe or those looking for a product that can manage their spending on SOW and other services, the same factors make it a leading candidate for the French market and adjoining European markets as it expands. France has a highly regulated staffing market, with few MSPs, limited freelance activity, and a tendency for consulting projects to be structured as the engagement of contingent staff. PIXID's solution has been built in the context of these market constraints, which means it is competitive for contingent workers, but weak for freelancers and other services. Its reporting and analysis is basic, and it doesn't provide rate or process benchmarks (in part because of French legal constraints). But its clients were impressed by its usability and reported that PIXID provided solid implementation and ongoing customer support.

Other Selection Factors For Services Procurement Vendors

Our Forrester Wave criteria focus on the key variables of current offering and vendor strategy that are important in choosing the right vendor. We do not include in those variables the price of the solution or the type of services spending covered by the vendor's solution because those will be factors that will differ from client to client. However, we do provide data on spend coverage for the vendors and their typical price points (see Figure 8).

FIGURE 8 Profiles Of Services Procurement Services Spend Coverage And Pricing Models

<table>
<tr><th>Vendor</th><th>Mix of spending managed by type
(Percent of total spend managed)</th><th>Pricing models offered</th></tr>
<tr><td>Beeline</td><td>Contingent staffing = 56%
SOW and other professional services = 24%
Resource tracking = 20%</td><td>Pricing is typically based on clients’ spend and since spend can vary so much, so too can pricing. Buyer-funded approaches are being interpreted as license fees. These are typically 5% to 10% lower than the supplier-funded model since they are more predictable.</td></tr>
<tr><td>DCR Workforce</td><td>Contingent staffing = 54%
SOW and other professional services = 42%
Business services = 4%</td><td>Contingent workers in a supplier-funded model: a percentage of spend ranging from 0.4% to 1%; Contingent workers in a buyer-funded model: a percentage of spend ranging from 0.35 % to 0.75%; Statement-of-work services in a supplier-funded model: as a percentage of spend ranging from 0.3% to 0.65%;
Statement-of-work services in a buyer-funded model: a percentage of spend ranging from 0.3% to 0.55%.</td></tr>
<tr><td>IQNavigator</td><td>Contingent staffing = 63%
SOW and other professional services = 13%
Resource tracking = 24%</td><td><u>License/subscription model:</u>
<table>
<tr><th colspan="2">CWM</th><th colspan="2">SOW</th></tr>
<tr><td>Base spend</td><td>Base fee</td><td>Base spend</td><td>Base fee</td></tr>
<tr><td>$25M</td><td>$165,000</td><td></td><td></td></tr>
<tr><td>$50M</td><td>$300,000</td><td>$50M</td><td>$165,000</td></tr>
<tr><td>$100M</td><td>$ 560,000</td><td>$100M</td><td>$300,000</td></tr>
<tr><td>$250M</td><td>$1,260,000</td><td>$250M</td><td>$ 620,000</td></tr>
<tr><td>$500M</td><td>$ 2,205,000</td><td>$500M</td><td>$1,135,000</td></tr>
</table>
<u>Transactional model</u>
<table>
<tr><th colspan="3">CWM</th><th colspan="3">SOW</th></tr>
<tr><td>Spend</td><td>Tiers</td><td>Rate</td><td>Spend</td><td>Tiers</td><td>Rate</td></tr>
<tr><td>0M</td><td>25M</td><td>0.73%</td><td>0M</td><td>50M</td><td>0.37%</td></tr>
<tr><td>25M</td><td>50M</td><td>0.67%</td><td>50M</td><td>100M</td><td>0.33%</td></tr>
<tr><td>50M</td><td>100M</td><td>0.62%</td><td>100M</td><td>250M</td><td>0.28%</td></tr>
<tr><td>100M</td><td>250M</td><td>0.56%</td><td>250M</td><td>500M</td><td>0.25%</td></tr>
<tr><td>250M</td><td>500M</td><td>0.53%</td><td>500M</td><td>+</td><td>0.23%</td></tr>
<tr><td>500M</td><td>1,000M</td><td>0.49%</td><td></td><td></td><td></td></tr>
<tr><td>1,000M</td><td>+</td><td>0.46%</td><td></td><td></td><td></td></tr>
</table></td></tr>
<tr><td>People Fluent</td><td>Contingent staffing = 95%
SOW and other professional services = 5%
Business services = 0%</td><td>PeopleFluent prices the vendor management solution based on the level of spend going through the system or on the number of contractors in the system. The statement-of-work module may be priced at a flat monthly rate depending on total spend. PeopleFluent does not publish pricing or fees.</td></tr>
</table>

FIGURE 8 Profiles Of Services Procurement Services Spend Coverage And Pricing Models (Cont.)

Vendor	**Mix of spending managed by type** (Percent of total spend managed)	**Pricing models offered**
PIXID	Contingent staffing = 100% SOW and other professional services = 0% Business services = 0%	On the suppliers side, prices are defined for each document sent (from €0,19 to €1,32) depending on the provided service level. The minimum yearly subscription is €380 for a supplier. On the customer side, prices are defined per FTE for direct clients, depending on the volume managed by the product and the modules subscribed by the client (from €70 to €150/FTE/year). For indirect clients (SMB market), suppliers are resellers of the service and the economic model is 100% supplier funded.
Pro Unlimited	Contingent staffing = 48% SOW and other professional services = 51% Business services = 1%	Contingent workers in a supplier-funded model: a percentage of spend ranging from 0.4% to 1%; Contingent workers in a buyer-funded model: a percentage of spend ranging from 0.4% to 1%; Statement-of-work services in a supplier-funded model: as a percentage of spend ranging from 0.25% to 1%; Statement-of-work services in a buyer-funded model: a percentage of spend ranging from 0.25% to 1%.
Provade	Contingent staffing = 52% SOW and other professional services = 44% Business services = 4%	Lowest rates among its customers are found in very large programs (hundreds of millions in spend) where an MSP is involved and there is a mix of T&M and SOW. In such programs, the vendor has cases where there is a blended rate (same % fee for all spend) and others where there are different rates for T&M and SOW. Rates for SOW can be as low as .2% and T&M as low as .35%. At the other end of the spectrum are programs with low spend volume and no MSP. These programs require more involvement by Provade on an ongoing basis and, therefore, carry higher fees. Fees in these programs can run as high as 1.5% but are typically below 1%.
SAP Fieldglass	Contingent staffing = 56% SOW and other professional services = 40% Business services = 6%	1) The average annual fees for a contingent program that is supplier funded is: $350,000. 2) The average annual fees for a contingent program that is buyer funded is: $350,000. 3) The average annual fees for a SOW subscription that is supplier funded is: $500,000. 4) The average annual fees for a SOW subscription that is buyer funded is: $500,000.

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The online version of Figures 6 and 7 Excel-based vendor comparison tools that provide detailed product evaluations and customizable rankings.

Data Sources Used In This Forrester Wave

Forrester used a combination of three data sources to assess the strengths and weaknesses of each solution. We evaluated the vendors participating in this Forrester Wave, in part, using materials that they provided to us by March 1, 2017.

› **Vendor surveys.** Forrester surveyed vendors on their capabilities as they relate to the evaluation criteria. Once we analyzed the completed vendor surveys, we conducted vendor calls where necessary to gather details of vendor qualifications.

- **Product demos.** We asked vendors to conduct demonstrations of their products' functionality. We used findings from these product demos to validate details of each vendor's product capabilities.
- **Customer reference calls.** To validate product and vendor qualifications, Forrester also conducted reference calls with three of each vendor's current customers.

The Forrester Wave Methodology

We conduct primary research to develop a list of vendors that meet our criteria for evaluation in this market. From that initial pool of vendors, we narrow our final list. We choose these vendors based on: 1) product fit; 2) customer success; and 3) Forrester client demand. We eliminate vendors that have limited customer references and products that don't fit the scope of our evaluation.

After examining past research, user need assessments, and vendor and expert interviews, we develop the initial evaluation criteria. To evaluate the vendors and their products against our set of criteria, we gather details of product qualifications through a combination of lab evaluations, questionnaires, demos, and/or discussions with client references. We send evaluations to the vendors for their review, and we adjust the evaluations to provide the most accurate view of vendor offerings and strategies.

We set default weightings to reflect our analysis of the needs of large user companies — and/or other scenarios as outlined in the Forrester Wave evaluation — and then score the vendors based on a clearly defined scale. We intend these default weightings to serve only as a starting point and encourage readers to adapt the weightings to fit their individual needs through the Excel-based tool. The final scores generate the graphical depiction of the market based on current offering, strategy, and market presence. Forrester intends to update vendor evaluations regularly as product capabilities and vendor strategies evolve. For more information on the methodology that every Forrester Wave follows, go to http://www.forrester.com/marketing/policies/forrester-wave-methodology.html.

Integrity Policy

We conduct all our research, including Forrester Wave evaluations, in accordance with our Integrity Policy. For more information, go to http://www.forrester.com/marketing/policies/integrity-policy.html.

Endnotes

[1] As one point of reference, only a third of the 24 clients of services procurement tools that we interviewed were using an MSP, with another three clients using a hybrid model where an MSP played a partial role.

[2] Beeline acquired OnForce in 2014. Source: "Beeline Announces Merger With OnForce," Beeline press release, August 11, 2014 (https://www.beeline.com/press-releases/beeline-announces-merger-onforce/).

[3] Of the 24 vendor clients that we interviewed for this evaluation, only 10 said that they were using their services procurement product for those other service categories, and five of those were just using the product to manage the engagement, not the sourcing of the service provider.

[4] While Beeline acquired OnForce in 2014, OnForce was transferred to Beeline's parent company Adecco as part of Beeline's merger with IQNavigator.

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