

The Forrester Wave™: Contract Lifecycle Management For Source-To-Contract Suites, Q1 2019

The Eight Providers Of CLM Solutions For Source-To-Contract Suites That Matter Most And How They Stack Up

by Andrew Bartels
January 22, 2019

Why Read This Report

In our 33-criteria evaluation of contract lifecycle management (CLM) providers for source-to-contract suites, we identified the eight most significant ones — Coupa Software, Determine, GEP, Ivalua, JAGGAER, SAP Ariba, Synertrade, and Zycus — and researched, analyzed, and scored them. This report shows how each provider measures up and helps CIOs and their business partners make the right choice.

Key Takeaways

Zycus, SAP Ariba, And Coupa Lead The Pack

Forrester's research uncovered a market in which Zycus, SAP Ariba, and Coupa Software are Leaders; and Ivalua, GEP, Synertrade, Determine, and JAGGAER are Strong Performers.

Supplier Contract Management Pros Are Looking For Contract Authoring/Compliance

The CLM market is growing because more chief procurement officers and their legal partners use CLM to address top challenges of creating, managing, and getting the best business results from their contracts with suppliers. CLM in source-to-contract suites allows sourcing and contract management professionals to use one suite for choosing key suppliers, contracting with them, and getting the best results from supplier relationships.

AI, Links To Related Apps, And Analytics Are Key Differentiators

As first-generation CLM technology becomes outdated and less effective, improved intelligence, contract authoring and negotiation, and the capabilities of related apps will dictate which CLM providers lead the pack of source-to-contract suite providers. Vendors that can provide useful AI functions for contracting, best-in-class complementary apps, support for sell-side/buy-side contracts, and contract fulfillment tracking will position themselves to successfully deliver the most business value from contracts.

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Related Research Documents

- [Best Practices: Uncover The Full Potential Of Your CLM Implementation](#)
- [The Contract Life-Cycle Management Market Continues To Grow At A Rate Of 18%](#)
- [The Forrester Wave™: Contract Life-Cycle Management, Q3 2016](#)
- [Now Tech: Contract Lifecycle Management, Q1 2018](#)



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CLM In Source-To-Contract Suites Helps Manage Supplier Contracts

In today's world, businesses rely heavily on contracts, especially in their B2B relationships. Doing business on the basis of a verbal agreement and a handshake doesn't work when business relationships are electronic and digital. Contracts define who does what, at defined prices, and over specified time periods. Equally important, contracts determine who is responsible when things go wrong, whether in transactions or overall relationships.

It Is Time To Update Our Evaluation Of The Leading CLM Vendors

Our last Forrester Wave for CLM in Q3 2016 identified 14 CLM vendors that met our criteria for market presence and solution scope.¹ Since then, we have seen many new entrants in this rapidly growing software category. We have also seen a clear bifurcation into two CLM use cases: 1) CLM for all types of contracts, including sell-side contracts and buy-side contracts; and 2) CLM for buy-side contracts as part of source-to-contract software suites, including eSourcing, spend analytics, and supplier risk and performance management.

In response to these trends, we decided to create two CLM Waves this time. This Wave focuses on CLM solutions in source-to-contract suites. The key internal stakeholders for these types of CLM products that CIOs support are primarily chief procurement officers (CPOs) and secondarily general counsel and CFOs. A companion Wave will cover CLM solutions that support all contract types, which appeal to general counsel, heads of sales, and sometimes CFOs and CPOs.

CLM Solutions Deliver Six Sources Of Business Value

The CLM solutions in this Forrester Wave for source-to-contract suites and in the companion Forrester Wave for all contracts deliver six kinds of value to business:

1. **A contract repository for storing and making accessible all of a firm's contracts.** Just having all of a firm's contracts in one electronic repository — with consistent metadata tagging of clauses, terms, and conditions and controlled access to those who need to review a contract — can be an enormous improvement over having contracts scattered in filing cabinets or on departmental servers around the firm. This electronic contract repository helps compliance with audit and governance requirements and gives contract managers direct and easy access to the contracts they need to manage. It also supplies contract data to transaction systems that need the data to execute purchasing, ordering, or invoicing transactions accurately and supports analysis of the obligations, entitlements, and risks in the contract portfolio. Key innovations in contract repositories are AI tools that enable more automated importing and metadata tagging of existing or third-party contracts.
2. **Reporting and analytics on the overall contract portfolio.** Having all contracts in a central repository allows firms to look at the contract portfolio as a whole. Analytics can go far beyond finding all contracts with a specific customer or supplier, all contracts expiring in January 2019 (for

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example), or contracts missing key terms or conditions. Analytics can provide insight into risks across contracts, entitlements with financial benefits, obligations with financial costs, and the effect of new laws or regulations on these factors.

3. **Authoring and negotiating new contracts.** A major benefit of a CLM system is allowing business users to create new contracts on their own or from CRM or sourcing systems without legal initiation but with legal controls over allowed changes and with legal review of any deviations from approved language. Alternatively, it prompts the business user to initiate the contract by capturing key data, which goes to legal to prepare the draft contract. The system then tracks all versions of a draft contract as it evolves during negotiation. When the contract is finalized, the system presents it to the counterparty for a digital signature. With lawyers often involved, a Word interface for contract drafting or review is often key to getting legal support and adoption.
4. **Managing contracts in the processes of source-to-contract or sales-lead-to-contract.** Contracts are often a key stage in broader processes, such as the purchasing process to run a sourcing event, contract negotiation, or vendor relationship management. On the sell side, a similar process ranges from a sales lead to configure price quote (CPQ) for a sales opportunity and contract-to-customer relationships that may involve rebates and discounts that need tracking and management. With the same purchasing category managers or salespeople involved in all stages, having a common UI for apps that support all stages will encourage higher user adoption and greater process efficiency.
5. **Integrating contract data into purchasing, order management, and invoicing systems.** The most effective way to achieve the business benefits of contracts is to push the contract price and offering terms into transaction systems for purchasing on the buy side, order management on the sell side, and invoice systems on both sides. That will drive automated contract compliance.
6. **Linking contracts to results to improve contract language and contracting processes.** Once firms know whether they are achieving transactional compliance with their contractual expectations, they can assess whether the contract terms and conditions are achieving expected business results. They can also analyze their total contract portfolio and identify risks that their contract language fails to address. And after all employees adopt CLM systems for drafting and negotiating contracts, they can identify bottlenecks and lags in their contracting process. That's when they can use their CLM systems to improve their contract language and contracting process.

Changes Since 2016: Deeper CLM Adoption By Clients; Better Usability By Vendors

Since our 2016 CLM Wave, the vendor landscape has changed (e.g., IBM's withdrawal and Model N's acquisition of Revitas) as has firms' adoption of CLM and vendors' user experience design in solutions. We can measure these changes quantitatively because we interviewed clients of the vendors to assess their CLM product use; the usability of the product for administrators, power users, and casual or end users; and vendors' support during initial implementation and on an ongoing basis. In 2016, we interviewed 42 CLM clients, and in 2018, we interviewed 59 CLM clients, using the same questions both times.

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- › **CLM clients go deeper in implementations, but most are just for contract authoring.** CLM clients in 2018 show about the same rate of implementing the contract repository and setting up contract reporting and analysis as those in 2016. However, a higher percentage (60%) are using their product for contract authoring, compared with those in 2016 (55%). Using CLM in coordination with related apps that support other steps in the source-to-contract or lead-to-contract processes is growing, but fewer than 40% of the CLM clients we interviewed are doing so. Linking contract data to transaction systems for purchasing, order management, invoice generation, or invoice processing is even less common (fewer than 20% of CLM clients). Both percentages are higher for CLM for source-to-contract suites, but CLM usage for authoring and reporting is more on par. Contract optimization is still at most an aspiration, with no actual examples showing up in our interviews (see Figure 1).
- › **CLM vendors have improved their products' usability.** One clear area of overall improvement in CLM solutions is usability. The CLM clients that we interviewed for the 2018 Forrester Wave gave an average rating of 4.14 for administrator usability (on a scale of 1 [poor] to 5 [excellent]), compared with an average rating of 3.93 in 2016. The improvement was even more pronounced for end user usability, rising from an average of 3.68 in 2016 to 4.12 in 2018. Ratings for vendors' support in implementation and ongoing service showed small improvements but remained high. In general, the all-contract CLM vendors showed higher ratings than the source-to-contract CLM vendors (see Figure 2).

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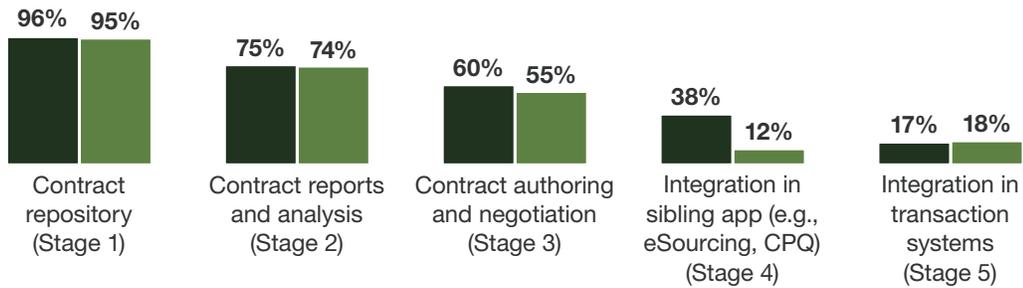
FIGURE 1 CLM Customers' Progression In Value Realization

1-1 CLM implementations have progressed since 2016

“Where does your firm stand in terms of your CLM implementation?”

(Percentage of customer references at each stage)

■ 2018
■ 2016*



Base: 59 global customer references

*Base: 42 global customer references

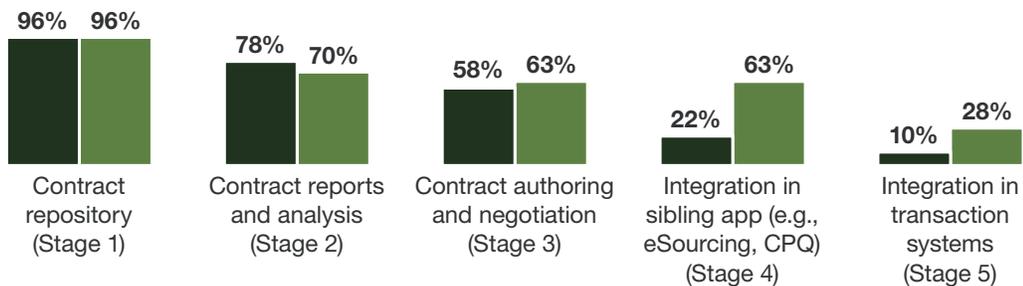
Source: Forrester's Q4 2018 Global Contract Lifecycle Management Forrester Wave™ Customer Reference Phone Survey and Forrester's Q3 2016 Global Contract Lifecycle Management Forrester Wave Customer Reference Phone Survey

1-2 Customers of source-to-contract CLM have made more progress in linking CLM to other apps than customers of all-contract CLM

“Where does your firm stand in terms of your CLM implementation?”

(Percentage of customer references at each stage)

■ All contracts
■ Source-to-contract suites



Base: 59 global customer references

Source: Forrester's Q4 2018 Global Contract Lifecycle Management Forrester Wave Customer Reference Phone Survey

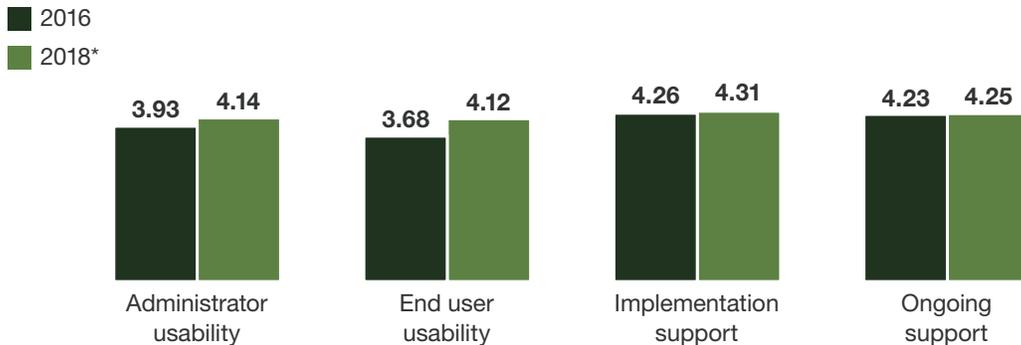
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FIGURE 2 CLM Customers' Ratings Of The Usability Of Solutions And Vendors' Support

2-1 CLM usability has improved since 2016

Average customer ratings on a scale of 1 (poor) to 5 (excellent)



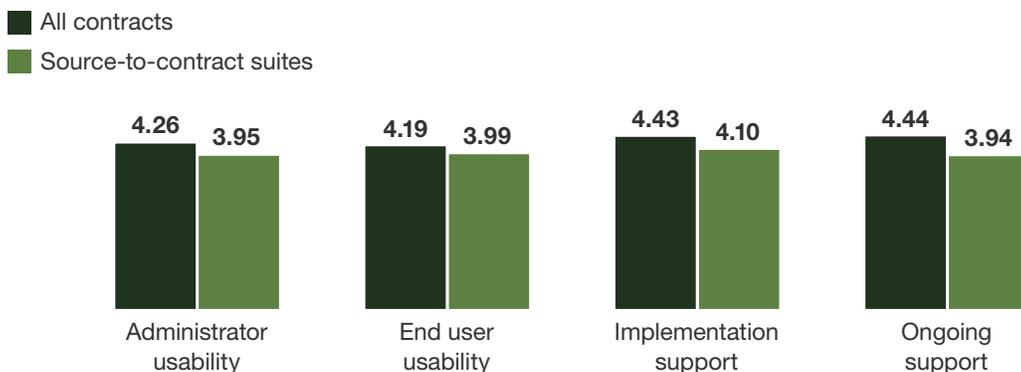
Base: 42 global customer references

*Base: 59 global customer references

Source: Forrester's Q4 2018 Global Contract Lifecycle Management Forrester Wave™ Customer Reference Phone Survey and Forrester's Q3 2016 Global Contract Lifecycle Management Forrester Wave Customer Reference Phone Survey

2-2 Source-to-contract CLM vendors generally have poorer usability and support ratings than all-contract CLM vendors

Average customer ratings on a scale of 1 (poor) to 5 (excellent)



Base: 59 global customer references

Source: Forrester's Q4 2018 Global Contract Lifecycle Management Forrester Wave Customer Reference Phone Survey

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CLM Vendors Incorporate AI Functions Into Their CLM Products

The biggest innovations in CLM are the inclusion of AI functions to address gaps in contract creation and management processes. Through interviews with vendors and collaboration with Forrester analysts, we identified six areas of AI value in CLM products:

1. **Bots for voice or IM user interaction with systems.** Using virtual agent AI tools, some CLM vendors create a conversational way for users to interact with the system to initiate a contract or review and approve a draft.
2. **AI-enabled wizards to guide users to the right contract template and clauses.** Using machine learning platforms and decision management tools, CLM vendors provide a more sophisticated guide than current rules engines to help infrequent users define and assemble the appropriate contract. Most wizards are rules-based: An employee chooses an option, and the wizard presents next-step options. But an AI-enabled wizard provides much more interactive guidance and helps answer various questions like, What is the business purpose of the contract? What are the most common contract terms we used for similar business purposes? What additional variables should we include based on contractual experiences with similar vendors? What lead and fallback provisions should we include in the negotiation?
3. **Automated capture and metadata clause tagging of legacy or third-party contracts.** CLM systems need to import existing contracts or contracts from a counterparty and apply the appropriate metadata tag to the relevant clauses in them. This has traditionally been a manual process but made more efficient when the CLM system displays the imported contract alongside the existing clause library, allowing drag-and-drop tagging. But CLM vendors are now introducing AI tools based on natural language processing (NLP) and machine learning to do this metadata tagging on an automated basis.
4. **Semantic analysis AI to identify new issues in contracts and apply new metadata tags.** With most CLM systems, the metadata tags you use when you set up the repository are the only ones you get to use. If a new issue arises due to new regulations, tax-law changes, or other business developments, the only way to find contracts that might be affected is through inefficient multivariable searches. But CLM vendors are starting to use semantic analysis with NLP to find clusters of related words that are relevant to the issue and in close proximity, surfacing them, and then applying new metadata tags to these clauses.
5. **Robotic process automation for approval of changes to standard contract language.** While creators or initiators of a new contract often use standard approved terms and conditions, some situations demand new or different language to revise the contract draft to meet the other party's demands or requirements during the negotiation process. Even if the standard contract language does not change, proposed commercial terms may require approval by a senior manager. Every CLM product offers workflow for routing these exceptions to the right people for review and approval (or disapproval), but this introduces extra steps and potential delays in the contracting

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process. Robotic process automation (RPA) can help the CLM system streamline this approval process by learning from prior decisions, changing the workflow based on these learnings, and providing recommendations to approvers.

- 6. Advanced analytics to identify new risks, opportunities, and obligations.** In a typical contract, 10% of language describes the business relationship, and 90% of language assigns responsibility if things go wrong. So in any contract portfolio, most of the language describes risks, obligations, and opportunities that relate to the business relationship. AI tools for NLP, semantic analysis, and machine learning can find and surface contract language to address unanticipated risks, create unintended obligations, or suggest new ways to benefit from existing contracts.

To assess the maturity of vendors' AI functions in these areas, we used a human-education analogy. If a vendor had plans to add AI functionality, it was in pre-kindergarten (i.e., pre-K). If it was developing a function, it was in kindergarten. If it had an AI function in beta tests with a handful of clients, it was in third grade. If it had an AI function on the market for a year or so, it was in eighth grade. If it had an AI function on the market for two to three years, it was in 11th grade. If it had an AI function available for four or five years, it was in college. Use this framework as follows: If you would trust an 11th-grader (for example) to perform a specific task, then you can rely on an equivalent AI function for the same task. If not, you need to wait until it matures.

We used these maturity stages to assess each vendor's AI capabilities, both in the relevant current offerings and in the AI component of its strategies. Across the 21 vendors in our two CLM Waves, we assessed the relative state of maturity of AI functions in each of six AI use cases (see Figure 3).

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FIGURE 3 The Maturity Distribution Of Vendors' AI Functions**“Where does your firm stand in terms of your CLM implementation?”**

AI user cases in CLM processes	No plans (on road map)	Pre-K (in development)	Kinder-garten (in test with handful of clients)	3rd grade (in production for a year or so with some clients)	8th grade (in production for two to three years with multiple clients)	11th grade (in production for four to five years with multiple clients)	Third party (using an AI tool from another vendor)
Bot for voice or IM user interaction with systems	38%	5%	14%	14%	14%	5%	10%
AI-enabled wizard to guide users to right contract template, terms and conditions, and clauses	5%	19%	43%	10%	14%	10%	0%
Automated capture and metadata tagging of clauses in imported or third-party contracts	5%	0%	52%	10%	14%	5%	14%

Base: 59 global customer references

Source: Forrester's Q4 2018 Global Contract Lifecycle Management Forrester Wave™ Customer Reference Phone Survey

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FIGURE 3 The Maturity Distribution Of Vendors’ AI Functions (Cont.)

“Where does your firm stand in terms of your CLM implementation?” (cont.)

Semantic analysis AI to find and identify new issues in contract repository and apply a new metadata tag	14%	29%	38%	0%	10%	5%	5%
Robotic process automation to streamline approval of changes to standard contract language and contracts	14%	14%	43%	24%	0%	0%	5%
Advanced analytics to identify new risks, opportunities, and obligations in the contract portfolio	0%	29%	48%	5%	5%	10%	5%

Base: 59 global customer references

Source: Forrester’s Q4 2018 Global Contract Lifecycle Management Forrester Wave™ Customer Reference Phone Survey

Source-To-Contract-Suite CLM Evaluation Overview

To assess the state of the market for CLM in source-to-contract suites and see how the vendors stack up against each other, Forrester evaluated the strengths and weaknesses of the top source-to-contract CLM vendors. After examining past research, user need assessments, and vendor and expert interviews, we developed a comprehensive set of evaluation criteria. We evaluated vendors against 32 criteria, which we grouped into three high-level buckets:

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- › **Current offering.** Each vendor's position on the vertical axis of the Forrester Wave graphic indicates the strength of its current offering. Key criteria for these solutions include contract creation; support for existing and third-party contacts; contract repository; contract types supported; contract approval; contract fulfillment tracking; contract optimization; contract process management; related buy-side applications; integration; technology; and client references.
- › **Strategy.** Placement on the horizontal axis indicates the strength of the vendors' strategies. We evaluated each vendor's product strategy, its corporate strategy, and its financial performance.
- › **Market presence.** Represented by the size of the markers on the graphic, our market presence scores reflect each vendor's revenues in 2017 and 2018 for its CLM product and its client counts in 2018 for the CLM offering.

Evaluated Vendors And Inclusion Criteria

Forrester included eight vendors in the assessment: Coupa, Determine, GEP, Ivalua, JAGGAER, SAP Ariba, Synertrade, and Zycus (see Figure 4). Each of these vendors has:

- › **A CLM product for multiple industries.** The CLM product supports all the aforementioned functions, which excludes vendors that only offer a contract repository with templates for generic contract creation. Clients also span a wide range of industries, which excludes vendors that just concentrate on a narrow set, such as the Aveva ProCon CLM product for oil, gas, and mining industries.
- › **A source-to-contract suite that includes CLM.** The vendor offers eSourcing, spend analytics, and supplier risk and performance management. It also offers eProcurement and eInvoicing solutions.
- › **Enough revenues to be a meaningful presence in the CLM market.** The vendor had at least \$12 million in CLM revenues in 2017 and expected to have revenues of at least \$15 million in 2018.

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FIGURE 4 Evaluated Vendors And Product Information

Company name	Official product name	Official product version
Coupa Software	Coupa Business Spend Management	R22
Determine	Determine Cloud Platform	Determine Cloud Platform-Contract Management version 18.4
GEP	SMART by GEP	N/A
Ivalua	Ivalua Contract Management	160
JAGGAER	Contract Lifecycle Management	18.2 (as of July 2018, current release is 18.3)
SAP Ariba	SAP Ariba Contracts	N/A
Synertrade	Accelerate	4.7
Zycus	iContract	18.06.1.0

Vendor Profiles

We intend this evaluation of the source-to-contract-suite CLM market to be a starting point only and encourage clients to view detailed product evaluations and adapt criteria weightings to fit their individual needs through the Forrester Wave Excel-based vendor comparison tool (see Figure 5 and see Figure 6). Click the link at the beginning of this report on Forrester.com to download the tool.

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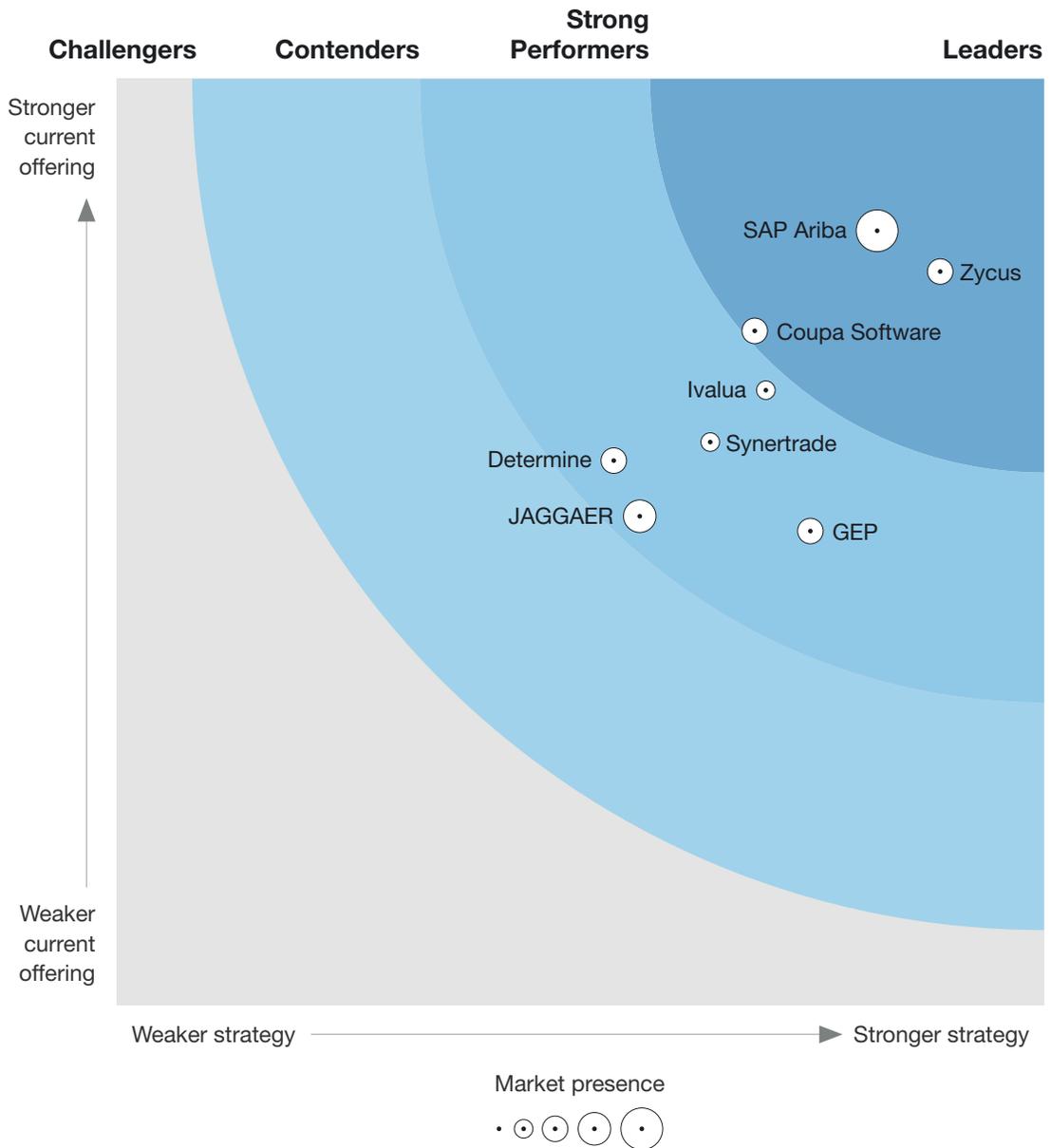
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FIGURE 5 Forrester Wave™: Contract Lifecycle Management For Source-To-Contract Suites, Q1 2019

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FIGURE 6 Forrester Wave™: Contract Lifecycle Management For Source-To-Contract Suites Scorecard, Q1 2019

	Forrester's weighting	Coupa Software	Determine	GEP	Ivalua	JAGGAER	SAP Ariba	Synertrade	Zycus
Current offering	50%	3.64	2.94	2.56	3.32	2.64	4.18	3.04	3.96
Contract creation	12%	3.00	2.50	2.00	3.00	3.00	3.50	2.00	3.00
Contract importing and tagging	10%	3.00	1.00	1.00	1.00	1.00	5.00	1.00	3.00
Contract repository	8%	3.00	4.00	4.00	3.00	2.00	4.00	4.00	5.00
Contract types supported	10%	2.00	3.00	2.00	3.00	3.00	4.00	2.00	4.00
Contract approval	7%	5.00	3.00	1.00	3.00	5.00	5.00	3.00	5.00
Contract fulfillment tracking	8%	3.00	3.00	3.00	5.00	3.00	3.00	3.00	3.00
Contract optimization	8%	4.00	3.00	2.00	3.00	2.00	5.00	3.00	4.00
Contract process management	5%	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Related buy-side applications	10%	3.80	3.40	3.80	4.20	3.40	5.00	3.40	5.00
Integration	5%	5.00	5.00	3.00	5.00	1.00	5.00	3.00	5.00
Globalization	5%	5.00	1.00	3.00	5.00	3.00	5.00	5.00	5.00
Technology	4%	5.00	5.00	4.00	4.00	5.00	4.00	5.00	5.00
References	8%	5.00	3.00	3.00	3.00	1.00	3.00	5.00	3.00
Strategy	50%	3.44	2.68	3.74	3.50	2.82	4.10	3.20	4.44
Product strategy	60%	2.40	2.80	3.40	3.00	2.20	4.00	3.00	4.40
Corporate strategy	30%	5.00	3.00	4.00	4.00	4.00	4.00	3.00	5.00
Performance and financial position	10%	5.00	1.00	5.00	5.00	3.00	5.00	5.00	3.00
Market presence	0%	2.50	2.50	3.00	2.00	3.50	5.00	1.50	2.50
Installed base	50%	3.00	3.00	4.00	2.00	5.00	5.00	2.00	2.00
Revenue	50%	2.00	2.00	2.00	2.00	2.00	5.00	1.00	3.00

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

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Leaders

- › **Zycus shows strengths in CLM and the rest of its suite with AI leadership.** Zycus has built its ePurchasing suite organically over the years, starting with spend analytics, adding sourcing and CLM, and following up with supplier risk and performance management (SRPM), eProcurement, and eInvoicing. Its CLM product provides depth of functionality, ease of use, responsiveness, and rapid speed of implementation. Like the other vendors in this Forrester Wave, its contract creation and support for existing third-party contracts are weaker than those of many vendors in the all-contracts Forrester Wave. Integration between CLM and other apps is good at the interface level. However, clients reported integration issues at the data level. Its contract repository and contract approval features, support for buy-side contracts, and innovative features in adjoining apps are offsetting strengths, as are its analytics and AI functions, which are a legacy of its pioneering work in spend analysis. Its clients provided above-average ratings for usability and mixed reviews in terms of implementation support.

Zycus' CLM will be attractive to clients in the US, Europe, Australia, India, Southeast Asia, and the Middle East that are looking for a CLM solution as part of a source-to-contract suite. It has a critical mass of clients in life sciences and biotech, asset management, insurance, energy, and retail and hospitality. About 20% of its clients use CLM as a standalone product. A sister company of Zycus' has also licensed the CLM technology and packaged it for sale for managing sell-side contracts.

- › **SAP Ariba provides a mature CLM solution in a mature source-to-contract suite.** SAP Ariba has one of the largest source-to-contract suites in terms of clients, with its eSourcing, spend analytics, CLM, and SRPM products on the same code base for more than 10 years. Its contract creation and contract repository functions are generally more advanced than most of its source-to-contract CLM competitors but on par with the average among all-contracts CLM vendors. Its support for existing and legacy contracts, contract approval, and contract optimization functions are better than those of its direct competitors, and its portfolio of related buy-side apps is strong in all core capabilities. Its AI functions lag and are in development only, with no AI functions in the market or testing. Its clients did not give it strong scores for usability but acknowledged improvements in the UI in the past year or so. Client ratings for implementation and ongoing support were average.

SAP Ariba's CLM will make the most sense for clients that are using the other SAP Ariba modules. Because of SAP's global scope, it is likely to be one of only two or three options in Latin America, Africa, the Middle East, and Asia. In the US, Europe, Australia, and Canada, it will be one of several options. It has vertical concentrations of clients in oil and gas, manufacturing, automotive, banking and financial services, and pharmaceuticals and life sciences.

- › **Coupa emphasizes ease of use in CLM as it does in the rest of its suite.** Coupa entered the CLM market with its 2016 acquisition of Contractually. It rewrote the Contractually product to match the code base in its other products and added some functions, using the same UI as in the rest of its suite. Its contract creation and contract repository functions are on par with its

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source-to-contract CLM competitors and inferior to those of most all-contract CLMs. Its contract approval and contract optimization functions are stronger than those of its source-to-contract CLM competitors, but its support for contract types — especially sell-side contracts — is weaker. Its portfolio of related buy-side apps like eSourcing, spend analytics, and SRPM has come from acquisitions and includes some strong products. The integration of these products with its eProcurement and eInvoicing is coming together. Its AI functions are as advanced as any source-to-contract (S2C) CLM competitor's, and it received very positive ratings from its clients for usability and support.

Coupa's CLM product makes the most sense for clients that are using other products in its ePurchasing suite. In general, it does not offer verticalized solutions for S2C, but it has a critical mass of clients in industries like financial services, high tech, and manufacturing in North America and Europe.

Strong Performers

- › **Ivalua provides a single-instance hosted cloud option for CLM in an S2C suite.** In this group of CLM vendors, Ivalua stands alone in offering a single-instance hosted offering instead of multitenant software-as-a-service (SaaS). Like most of the others, it offers an organically built suite with a single code base. Its contract fulfillment tracking is very good. Its support for contract creation, contract repository, contract types, contract approval, contract optimization, and contract process management were on par with other S2C CLMs, and support for existing and third-party contracts was weak — a common problem for most S2C CLM vendors. Its suite of related applications is strong, especially in eSourcing and SRPM. And its reference clients gave it high marks for administrator usability and average scores for end user usability as well as implementation and ongoing customer support. Its AI strategy is on par with its competitors', with AI functions still in development.

Ivalua's CLM is generally purchased as part of its suite, and not on a standalone basis. It has industry-oriented solutions for oil and gas and financial services and a good presence in the public sector. Most of its clients are in the US, France, and Canada. However, its single-instance hosted model means that it can also be an option for clients in Canada, Italy, Spain, or countries in Asia that may have data residency requirements but no widespread public cloud platform deployments from leading providers.

- › **GEP's CLM finds a home in its generally strong S2C suite.** GEP CLM is one module in its Smart by GEP ePurchasing suite. The whole suite was organically built on Microsoft Azure using a single code base with a common data model and common look and feel. Its CLM product is generally competitive, but it seems to have received less new investment than other products in the suite. As with other CLM in this Forrester Wave, it is capable but relatively weak in contract creation, contract importing and tagging, contract optimization, and contract types support, compared with the Leaders in all-contract CLM. But it's relatively stronger in contract repository. The other

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products in its suite are robust, especially in eSourcing and spend analytics. It brings expertise in direct materials sourcing and contracting from its business process outsourcing practice. Its AI strategy is on par with its direct competitors: slightly ahead in areas like chatbots and wizards and slightly behind in areas like contract importing and metadata tagging. Its clients gave it above-average ratings for usability as well as implementation and ongoing support.

GEP continues to have one of the strongest S2C suites, and firms generally acquire its CLM product as part of that suite. A client that wants a standalone CLM product should look elsewhere. Industries where it has a critical mass of clients include utilities, consumer packaged goods, industrial equipment, and oil and gas. Its clients are primarily in the US and Europe.

- › **Synertrade emerges as a global provider of CLM in S2C suites.** As the result of the historic merger between German-based Trade2B and French-based Synerdeal, Synertrade has steadily expanded its organic suite of S2C and purchase-to-pay (P2P) products and its geographic scope into North America. Its product suite has a current-generation look and feel and a common code base across all products. Its CLM product is uneven, with weakness in contract creation and contract importing and tagging and strengths in contract repository. Its support for buy-side contracts is average, but it has weak support for sell-side contracts. Its portfolio of related apps is comparable with its direct competitors in terms of eSourcing, spend analytics, and P2P. But it's weaker in SRPM. Its AI strategy involves a mix of organic development (e.g., its chatbot called Marvin) and partnerships with leading vendors for contract importing and metadata tagging. Its clients gave it above-average ratings for usability and average ones for implementation and ongoing support.

As with the other vendors in this Forrester Wave, Synertrade's CLM software makes the most sense for clients that get other modules in its suite. Synertrade has built a critical mass of customers and verticalized CLM solutions in industrial manufacturing, retail, healthcare, pharmaceuticals, and media and communications. Its geographic relevance extends beyond France, Germany, and the US and includes clients in Italy, Spain, and Brazil.

- › **Determine refreshes its legacy CLM product in its new ePurchasing suite.** As the result of the merger of Selectica, lasta, and b-pack, Determine spent much of 2016 and 2017 replatforming its products on a common SaaS code base. Its CLM product, which is a modernized version of the Selectica product on a new integrated business process platform, has strong contract repository functions; average contract approval, contract fulfillment tracking, and contract types supported; and relatively weak contract creation and support for existing and third-party contracts. Its S2C suite is comparable with other vendors' in eSourcing, SRPM, and P2P but weaker than some in spend analytics. Its AI strategy is at the same stage as most of its competitors, with a bit of an edge in implementing RPA for contract approvals and otherwise mostly at the development stage. Its reference clients gave it below-average scores for usability and average scores for implementation and ongoing support. Its financial performance is also a weak area.

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Companies can consider Determine for CLM on a standalone basis — it provides decent support for sell-side contracts. But most clients choose its CLM as part of its S2C suite. It has a critical mass of clients in highly regulated verticals with complex workflows like finance, healthcare, and insurance as well as in retail. From a geographic perspective, it is only available in the US and Europe at this point.

- › **JAGGAER highlights one CLM out of its three acquired ePurchasing suites.** JAGGAER is the product of the merger of three vendors: US-based SciQuest, Austria-based Pool4Tool, and Italy-based BravoSolution. Its strategy is to offer different combinations of its portfolio of ePurchasing products for different types of clients. While all vendors have a contract management module, JAGGAER positions the legacy SciQuest Total Contract Manager CLM offering as its future in CLM. In comparison with other CLM products in this Forrester Wave, JAGGAER CLM has strengths in contract approval and is on par in contract creation, contract process management, contract fulfillment tracking, and contract types supported. But it is missing some functions in competitors' products in this Forrester Wave in the areas of contract repository, contract importing and tagging, contract optimization, and integration. Its overall ePurchasing portfolio is quite strong in eSourcing (especially for direct materials and in concert with product lifecycle management systems) and average in spend analytics, SRPM, and P2P products. Its AI delivery lags its competitors', with specific AI functions mostly being at the development stage instead of testing or deployment. Its reference clients gave it below-average scores for usability as well as implementation and ongoing support.

As with the other vendors, JAGGAER's CLM makes the most sense for clients that get the rest of its S2C suite. JAGGAER has a vertical concentration in higher education, healthcare, pharma and life sciences, transportation, government, consumer packaged goods, retail, automotive, business services, and industrial equipment.

Additional Vendor Information And Excluded Vendors

In addition to our Forrester Wave evaluation of these eight vendors, we provide information for Forrester clients with interest in other deployment and pricing models and CLM vendors that we did not include in our Wave evaluation.

CLM Vendors' Deployment And Pricing Models

We do not include deployment options that vendors provide in our Wave evaluation, believing that this is a matter of clients' preference. Nor do we include the prices that vendors charge for their CLM products because that depends on what customers are willing to pay. However, as a convenience for our clients, we got this information from the vendors and provide it in a table (see Figure 7).

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FIGURE 7 CLM Vendor Deployment Models And Representative Prices

Company name	Product deployment options	Pricing model
Coupa Software	The product is available as multitenant SaaS with subscription pricing.	The product is priced by module on a per-user basis with a single tier of users. Coupa Software did not provide average annual prices.
Determine	The product is available as multitenant SaaS with subscription pricing.	The product is priced by module on a per-user basis with different tiers for types of users. Average annual price is around \$80,000, with a range of \$40,000 to \$200,000.
GEP	The product is available as multitenant SaaS with subscription pricing.	The product is priced by module on a per-user and data-volume basis with different tiers for types of users. Average annual price ranges from \$100,000 to \$1 million.
Ivalua	The product is available as a single-instance hosted deployment with subscription pricing.	The product is priced by module on a per-user basis with different tiers for types of users. Average annual price ranges from \$75,000 to \$150,000.
JAGGAER	The product is available as multitenant SaaS with subscription pricing.	The solutions or set of solution packages (e.g., source-to-contract, procure-to-pay, source-to-pay, supply chain) are priced by module on a per-user basis or bundled into an enterprise agreement based on total spend value with different tiers for types of users. Average annual price ranges from \$20,000 to \$1 million.
SAP Ariba	The product is available as multitenant SaaS with subscription pricing.	The product is priced on a per-user basis with different tiers for types of users. Average annual price is around \$75,000.
Synertrade	The product is available as single-instance licensed on-premises or hosted, as single-instance hosted with subscription pricing, and as multitenant SaaS with subscription pricing.	The product is priced by module on a per-user and per-contract basis, depending on whether on-premises or cloud.
Zycus	The product is available as multitenant SaaS with subscription pricing.	The product is priced by module on a per-user and organization-size basis with different tiers for types of users. Average annual price ranges from \$150,000 to \$250,000.

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Vendors Not Included In This Forrester Wave

In addition to the eight vendors included in this Forrester Wave, other vendors provide CLM solutions as part of source-to-pay suites that were too small or too specialized for inclusion:

- › **Proactis includes CLM in an ePurchasing suite that seems more like P2P.** Proactis is a UK-headquartered company that merged Perfect Commerce (in the US and France) with Proactis (in the UK) and recently added Esize (in the Netherlands). Most of its revenues come from its spend management, eProcurement, and business network services. And it offers spend analysis, eInvoicing, content management, and SRPM in a CLM product. But its CLM revenues were too small for Proactis' inclusion in the Forrester Wave.
- › **Xeeva leads with eSourcing and spend analysis, while adding CLM and P2P.** A Michigan-based ePurchasing vendor Xeeva has built up its ePurchasing suite by focusing on the needs of manufacturers. eSourcing and spend analysis are its oldest and most mature products, which clients most commonly use. However, it added CLM as well as eProcurement and eInvoicing solutions to its suite and expanded its industry coverage. Its CLM revenues were too small for Xeeva's inclusion in the Forrester Wave.

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Supplemental Material

Online Resource

The online version of Figure 5 is an Excel-based vendor comparison tool that provides detailed product evaluations and customizable rankings. Click the link at the beginning of this report on Forrester.com to download the tool.

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 December 10, 2018.

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- › **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. We used these reference calls to get qualitative feedback on the vendor's CLM functions. We also used them to capture the quantitative rating of 1) the product's usability from the perspective of administrators or power users as well as from the perspective of casual or end users; 2) the vendor's support during initial implementation; and 3) the vendor's ongoing customer service and support.

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. Vendors marked as incomplete participants met our defined inclusion criteria but declined to participate or contributed only partially to the 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. Vendors marked as incomplete participants met our defined inclusion criteria but declined to participate in or contributed only partially to the evaluation. For more information on the methodology that every Forrester Wave follows, please visit [The Forrester Wave™ Methodology Guide](#) on our website.

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Integrity Policy

We conduct all our research, including Forrester Wave evaluations, in accordance with the [Integrity Policy](#) posted on our website.

Endnotes

¹ See the Forrester report "[The Forrester Wave™: Contract Life-Cycle Management, Q3 2016.](#)"

We work with business and technology leaders to develop customer-obsessed strategies that drive growth.

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