Spend Matters®

PROCUREWISE
VENDOR ANALYSIS

Solution Overview, Roadmap, Competitors & Market, Customer Feedback, Commentary

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This Spend Matters PRO Vendor Analysis provides an overview of ProcureWise and its extended workforce solution. It consolidates our initial analysis in 2020, with this year's update.

In the past few years, a number of new extended workforce solutions have emerged to challenge incumbent VMS providers and/or look to penetrate lower, underserved mid-market tiers. We refer to them as "extended workforce solutions," rather than VMS, because the long-standing term, VMS, carries a connotation of being anchored to temporary staffing. That said, today, both new solution providers and evolved VMS providers address a broader set of extended workforce channels.

ProcureWise is the newest kid on the block, having officially launched its solution in early October, 2020, (the solution was previously running in beta). The company itself was founded by the founder and CEO of CEIPAL, a staffing agency recruitment and HRMS software business launched in 2011. CEIPAL reports that it serves over 2,000 client companies.

Like others in its category, ProcureWise's extended workforce solution, which is built on a state-of-the-art, API-open technology platform, addresses enterprise requirements to source and manage staffing and non-staffing contingent workers as well as SOW-services. It provides direct sourcing capabilities, and it is aimed at "total talent" scenarios. The solution appears to leverage some CEIPAL technology platform components for at least direct sourcing, where AI enables talent sourcing — a unique, special twist to this solution.

This Vendor Analysis provides a high-level analyst perspective on ProcureWise, including a business snapshot; overview of platform, solution and supporting services; competitive market overview; and key analyst takeaways.

Quick Facts: ProcureWise

- ✓ **Founded**: 2019 (product launched in October 2020)
- ✓ **Headquarters:** Rochester, New York; Chennai, India, for operations and engineering
- ✓ **Regions served:** US, UK, India
- ✓ **Ownership and funding:** Privately held, venture-funded
- ✓ **Employees:** 24
- ✓ **Suppliers supported:** 1,500+
- ✓ **Target markets/tiers:** Enterprises (mid to large), MSPs, staffing agencies
- ✓ **Customers:** Multiple clients across the globe
- ✓ V**alue drivers for clients:** Productivity gains, direct cost savings, cost avoidance, revenue gains, improvements in compliance and risk reduction
- ✓ **Website:** procurewise.com

SOLUTION OVERVIEW

ProcureWise is an AI-powered Unified Total Talent platform that offers traditional VMS capabilities while also being seamlessly connected to its recruiting software, CEIPAL. The unique combination of recruiting software that covers all types of hiring — from internal to external and extended workers — puts this untraditional VMS in the growing market of software providers that offer solutions for a company's end-to-end hiring needs in a single technology (Unified Total Talent) The platform can be employed by three main types of businesses or use cases:

- Enterprises (contingent workforce management programs) can use the solution as a complete extended workforce sourcing and management solution to address needs in these areas: contingent workforce (staffing and other contract workers), SOW-services, direct sourcing.
- Enterprises and their MSPs can use the solution to manage contingent workforce suppliers and perform candidate and other processes in a model where the MSP is provided some additional as well as more limited capabilities.
- Staffing agencies can use the solution to manage their lower-tier suppliers.

For the purposes of this brief, the focus will be primarily on the enterprise use case where an MSP may or may not be involved.

The ProcureWise solution, today, provides much of the functionality that may be offered up by legacy VMS solutions: supplier management, requisitioning/sourcing, candidate evaluation/engagement, worker engagement compliance/tracking, time reporting, financial management and reporting/BI. Also like most legacy VMS solutions, ProcureWise offers functionality to support SOW-services sourcing/management. Finally, it offers direct sourcing capabilities, which VMS solutions provide through partnership with specialized point solutions — if at all.

The ProcureWise solution pricing model is a supplier funded model with 3 types of options: (1) percentage fee on flow-through spend, (2) per placement fee and (3) per supplier fixed fee model.

ProcureWise has continued to expand its solution capabilities since its launch in 2020. The provider now offers additional solutions for customers looking to expand their direct sourcing and self-management capabilities, improve the management of their documents and payments and better understand their DEI (diversity, equity, inclusion) metrics. The most interesting aspect of ProcureWise is that it offers these expanded capabilities as a single solution to its clients through its VMS while also offering some of it independently as standalone solutions, such as DEI and ATS (applicant tracking).

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PLATFORM AND SERVICES OVERVIEW

The ProcureWise extended workforce solution is built on a modern cloud-based, SaaS foundation.

Foundationally, one property that separates the ProcureWise solution from legacy VMS contingent workforce solutions — and places it categorically with the new breed of extended workforce solutions — is its being a unified platform for sourcing and managing any type of extended worker. Data is not siloed, rather managed in a database where a worker is a worker independent of the form of the engagement. The platform therefore provides complete current and ex post visibility into all extended workers and engagement types.

Another property that differentiates ProcureWise from legacy solutions is its open, API-based architecture which increases the speed and potential number of integrations, etc.

The ProcureWise software stack is modern from the ground up (i.e. Java, Angular 7, PostgreSQL and other web development tools.

The ProcureWise user interface is modern, simple and looks like it can be easily learned and navigated.

ProcureWise offers standard services for implementation, ongoing customer and tech support.

MODULES AND APPLICATION

ProcureWise provides business users with a configurable dashboard that enables tracking of requisitions and engagements in progress as well as summarized data in visual format.

As noted above, ProcureWise offers clients three different sourcing pathways: Temporary Staffing, SOW-Services and Direct Sourcing of other contract workers (including recruited candidates, known candidates such as alumni). Business users can create requisitions for any of these types.

- **Temporary Staffing:** ProcureWise touches all, or most, of the bases for sourcing temporary workers and managing their engagements with or without involvement of MSPs. Suppliers can be onboarded and also managed by traditional methods (e.g., tiers/segments, distribution rules, scorecards, QBR support). Worker engagement tracking and time reporting are supported. There is an at-the-ready API that provides very robust integration with staffing suppliers that use CEIPAL. And ProcureWise, APIs to integrate with other ATS solutions.
- **SOW-Services:** ProcureWise provides many of the capabilities one might expect for SOW management (project work orders, accepting bids from pre-vetted suppliers, setting and managing milestone deliverables and invoices). At this point, sourcing capabilities do not include side-by-side comparisons or an RFX process. The same can be said of legal document management. But the solution is young, and various areas of functionality

will be built up over time.

- **Direct Sourcing:** ProcureWise offers a very unique Direct Sourcing solution that enables a business user to originate a requisition (could be a tiered channel sourcing process). The requisition can be used to search an organization's bench of contractors (similar to using a talent pool) and/or proceed with a designated recruiting team and trigger digital distribution of the requisition to other digital media. What makes the solution especially unique is its use of CEIPAL components that support talent acquisition (bundled, not a separate license). This includes AI-based, multifactor matching, sophisticated fit and skill assessment (built by DOTIN), and extensive talent acquisition analytics. As such, ProcureWise comes to the Direct Sourcing solution market with an added punch of mature talent acquisition capabilities that competitors may not have started with or may not have at all.

EXPANDED CAPABILITIES AND ENHANCEMENTS

Since our initial analysis, ProcureWise has significantly expanded and enhanced key capabilities to further differentiate its platform with solutions to meet demand for new products in the market.

- **Direct sourcing and self-management:** Over the past several years, we have seen a sizeable shift within mid-to-large size companies as they look to move their talent acquisition for external workers in-house from legacy MSP management. The advantages of this move can include everything from decreased program costs (as it cuts out the traditional MSP middleman) to improved total talent management, as internal and external employees can be managed by the same or similar talent acquisition teams.A major challenge of this shift in model has come from software providers in the VMS space, as most have partnered with third-party direct sourcing solution providers instead of building this capability directly into their own solutions. This is one area in which ProcureWise sets itself apart in the market from the traditional VMS providers. Its solution offers one login entry point for all activities within sourcing, so a company that wants to make any type of hire (full-time internal, part-time external, freelancer, etc.) can do so directly from one centralized location without a third-party integration. The benefit is that several of the manual process steps that an end user would have to take between one solution and another (i.e., the VMS and the ATS solution) are no longer necessary. This leads to cohesive reporting, management of talent and unified sourcing. ProcureWise is also highly customizable in terms of information gathered and data collected, allowing the provider to cater to the broader range of requirements of different-sized clients and across markets. In order to fully leverage the end-to-end sourcing coverage in one place, companies will need to use the ProcureWise VMS.

- **Diversity, equity, and inclusion:** The biggest innovation and solution offering from ProcureWise comes from its expanded DEI software, which joins CEIPAL ATS recruiting software and ProcureWise VMS together. Over the past several years, there has been a major increase in companies trying to understand how they stack up against the market

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and improve in DEI-driven recruiting, hiring and retention. The current approach taken by most companies is to collect their DEI data for external workers through their suppliers or self-reporting. This presents a challenge to collecting solid DEI data, as not everyone wishes to report, and some suppliers opt out of providing this level of detail. As a result, DEI data from this approach is often heavily skewed or lacking.To address this gap, ProcureWise and CEIPAL created a standalone portal that utilizes AI-driven technology based on neurolinguistics to provide DEI data to clients. With something as simple as a listing of workers' first and last names, it can infer and depict the demographics of a contingent workforce in a statistically significant and accurate manner at the broader workforce level. The technology does not identify DEI data for each individual, but it does make inferences at an aggregate level about pay rates, pay equity, gender diversity, role equity, etc. that can be highly useful to companies with DEI-driven practices in place. As this solution is a standalone offering from ProcureWise, companies wishing to access this technology can do so without needing to use ProcureWise's VMS. This is the only standalone DEI solution offering on the market, of which we are aware, that companies can either use via ProcureWise VMS or pair with their own internal ATS or VMS solutions. It should be noted, however, that using this solution capability with ProcureWise VMS will provide additional benefits to customers such as the ability to automatically aggregate and report on DEI data without requiring data uploads from other ATS or VMS solutions.

- **DocuSign and QuickBooks partnerships:** Within the past year, ProcureWise also expanded its solution to address two additional gaps within the traditional VMS offering by partnering with DocuSign and QuickBooks. Most VMS providers have the ability to house signed documentation, usually by document uploads that store digital copies of manually signed documents. These VMS providers also allow end users, at a higher level, to see the stages in which a payment may be made to a vendor or third party. ProcureWise offers a more comprehensive solution in both areas with DocuSign and QuickBooks by allowing customers to manage and virtually sign documents directly from the solution, as well as manage every step of the payments and accompanying processes directly from ProcureWise VMS.The documents managed through DocuSign can be sent to suppliers or third parties via configurable onboarding activities, along with the ability to e-sign documents directly from the email inbox of the ProcureWise VMS. End users receive a digital link that allows them to view, edit and sign documents, which are then seamlessly sent back to the VMS upon completion. This digital addition to ProcureWise is a more secure way of signing documents, as users can add viewers, editors and signers without having to deal with the time-consuming back-and-forth of emails to obtain edits and signatures to documentation.Through the new QuickBooks partnership, suppliers and end users of ProcureWise are now able to see every part of the invoicing and payment process from the time that a worker submits a timesheet. While most VMS providers offer high-level visibility in this area, the major benefit from the ProcureWise/QuickBooks partnership is the ability to see deeper than just which stage a payment process has reached, as generated by a generic notification. Clients and their suppliers will also be able to perform all invoicing/payment steps directly from one location in ProcureWise, including approvals, billing and adjustments. The only downside

to this partnership is that the client needs to have a direct partnership with QuickBooks to leverage the offering. Clients who do not use QuickBooks will still be able to see where their invoicing and payments are in the process, but not to the same degree, or with the same cohesion, as clients with QuickBooks as their payment management software.

- **Other enhancements:** Productivity improvements include enhanced supplier engagement through more streamlined workflows, clear stage-by-stage visibility to suppliers throughout the process and a built-in live chat app for in-platform buyer/supplier communication. Also, cost-saving improvements include enhanced comparisons of supplier bill rates and analysis of bill rates versus rate cards and rate adherence, as well as enhanced analytics of supplier staffing metrics and candidate quality, helping buyers to negotiate supplier contracts based on performance.

ROADMAP AND VISION

Being a young company, ProcureWise is now mainly focused on extending and deepening functionality across the platform. According to the company, key areas that are targeted for 2020, include Private Talent Cloud, Total Talent Strategy, Global Talent Deployment and Total Talent Visibility among other major enhancements.

In the long term, ProcureWise envisions being a global talent acquisition platform for corporates, MSPs and staffing companies. That means developing the solution capabilities driven by use case requirements that will drive growth.

VOICE OF THE CUSTOMER

Remarkably, ProcureWise is already establishing a notable customer list, including one of the largest global systems integrators and a large global enterprise staffing and managed services provider, among many others. The case studies are equally impressive, demonstrating substantial time and cost savings and significant gains in recruiter productivity and supplier and staffing performance. Undoubtedly, customers are pleased.

MARKET ANALYSIS AND ANALYST ASSESSMENT

ProcureWise enters a market that has been in large part served by legacy VMS providers, Beeline and SAP Fieldglass predominantly, as well as VectorVMS and a handful of MSP providers with VMS solutions. Over the past few years, a handful of new extended workforce solutions have appeared on the scene to challenge the VMS model and increasingly compete head on with the VMS players.

There is no doubt that the contingent workforce solution landscape and market has changed a great deal compared to five years ago, when the technology solutions segment was mature and evolving gradually. As it happens, new entrants are usually drawn into a market by client organizations' unhappiness with their existing solutions and their desire for something more and/or different — in this case, state-of-the-art technology platforms that can provide (for clients, unprecedented) flexibility and new capabilities that align with a multi-channel

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sourcing and total talent paradigm.

Consequently, there are almost dual competitive dynamics to be monitored: competition with (1) the established VMS players and (2) the new breed of extended workforce solutions (a group we'd say includes VNDLY, SimplifyVMS, Renhead and — it is increasingly seeming Utmost).

Compared to established VMS known quantities, ProcureWise's tactical functionality is going to be less developed. But in technology, it's just a matter of time (assuming commercial viability) for tactical functionality and new technology can often lead to a blossoming of new capabilities which incumbents find hard to replicate. The VMS solutions also have established footprints (some global) and client support organizations, which are hard to compete with (unless they are the result of not just scale, but the complexity or inflexibility of the product).

It appears that an increasing number of large organizations are willing (even excited) to run with a player like VNDLY and absorb the risk. So, this tells us how ready the market seems to be for new solutions and the upward potential for a solution like ProcureWise.

That said, compared to the other new extended workforce solutions, such as those mentioned above, ProcureWise will be less able to differentiate competitively on its technology platform, but will rather have to differentiate and compete more on solution capabilities, support organizations, footprints, etc. — a more traditional competitive dynamic, instead of a disruptive one - which we are starting to see from enhanced capabilities, new customers, and a growing footprint in the market.

ACHIEVING SUCCESS

ProcureWise entered the market at a propitious moment when organizations' willingness to switch to new solutions seems to have been demonstrated already. From here, continuing to achieve success will be more about ProcureWise's software product development prowess, access to resources, go-to-market execution, customer support, etc. ProcureWise appears to have a strong technology and product development background and team, which bodes well for future expansion of functional capabilities. It should be called out that ProcureWise's solution has been developed under the leadership of the CEO who also started and developed the talent acquisition solution provider, CEIPAL, in 2015. There is clearly a close relationship between the two entities in terms of technology licensing (which accelerate and reduce the cost of product development).

One also expects at least knowledge sharing for customer support execution and scaling. So in a sense, ProcureWise is a start-up — but it's not a start-up. It's clearly now established. And ProcureWise's unique position as such may confer upon it competitive advantages not otherwise apparent.

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SO, WHAT'S OUR ASSESSMENT FOR PROCUREWISE'S PROSPECTS?

ProcureWise has expanded with solution capabilities that allow the provider to cover some larger gaps in the VMS and Total Talent markets. It is a breath of fresh air to see a solution provider that is working to tackle some of the bigger challenges in external workforce management for recruiting and hiring, such as visibility into diversity, equity and inclusion metrics and a single-access point for both recruiting and management of external labor. Given the current shift in the market toward 'Total Talent Management' of both internal and external labor, these solution offerings can bring clients extraordinary value on both sides of talent acquisition that currently can currently only be accomplished by other VMS competitors through multiple partnerships, integrations and end-user access points (which is consequently one of the driving forces behind the current shift towards a total talent 'ecosystem' of technology solutions instead of a one-stop shop).

While ProcureWise is still relatively new in the external workforce space and can easily integrate into a total talent ecosystem, it is continuing to expand and has finalized a few case studies with clients to show the tangible benefits its one-stop shop VMS, ATS and DEI solutions can provide. As a result of its work in these areas, we are likely to see ProcureWise grow as a global competitor over the next couple of years with its continued technology expansion and growth in its client partnerships, especially in companies looking to simplify their total talent technology landscapes.

USE THIS SOLUTION WHEN …

- An organization is ready for a new breed of solution and not happy with the regular herd (and is willing to make that journey and accept its risks).
- An organization is starting a Gen 1 program or is shifting from a Gen 1 to Gen 2 program and finds that it has not been satisfied by the previously selected VMS.
- An organization that is aligning itself to total talent and multi-channel strategy.
- An organization has a growing direct sourcing program and is looking for a powerful, AI-enhanced direct sourcing solution.
- An organization is concerned about workforce diversity, equity, and inclusion in its contingent workforce.

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ANALYST WRAP-UP

ProcureWise is the newest member of the emerging group of extended workforce solution, consisting of at least: VNDLY, Simplify VMS, Renhead, Utmost. These are solutions that were launched within the past three years and can fulfill the role of legacy VMS. ProcureWise seems to cover all the basic areas of a VMS functionality that a Gen 1 or possibly Gen 2 program may require to capture the major benefits of a VMS, and that functionality will be expanded over time.

A fundamental differentiator (compared to legacy VMS) of these extended workforce solutions is a modern technology platform that can support a range of capabilities that legacy VMS solutions may not. These include a unified talent platform, multi-channel sourcing, full spectrum extended workforce analytics and a software architecture that anticipates applications of AI.

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