

IDC MarketScape

IDC MarketScape: Worldwide SaaS and Cloud-Enabled Enterprise Treasury and Risk Management Applications 2023 Vendor Assessment

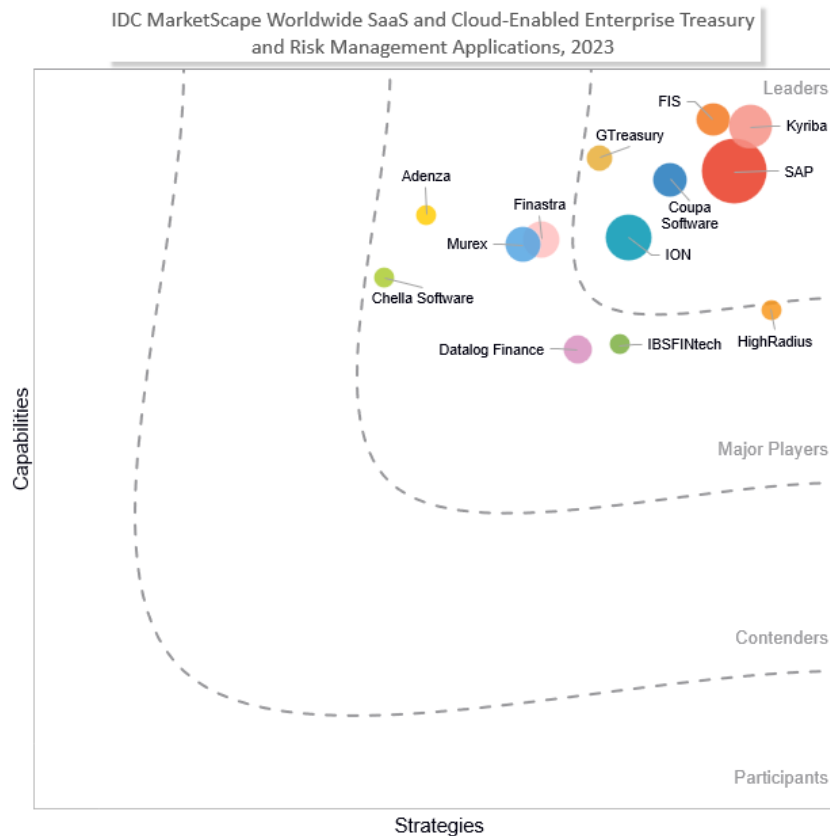
Kevin Permenter Jordan Steele

THIS IDC MARKETSCAPE EXCERPT FEATURES KYRIBA

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide SaaS and Cloud-Enabled Enterprise Treasury and Risk Management Applications Vendor Assessment



Source: IDC, 2023

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

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide SaaS and Cloud-Enabled Enterprise Treasury and Risk Management Applications 2023 Vendor Assessment (Doc # US45741820). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

In times of uncertainty, businesses rely heavily on liquidity management to stay prepared for the unknown. Between global conflict, natural disasters, political unrest, and the ever-looming shadow of economic uncertainty, the ability to manage liquidity and cash is becoming a higher priority than ever. The current state of the world gives treasury management software (TMS) providers the opportunity to capitalize on an ever-growing need.

Businesses use liquidity to determine how easily assets can turn into cash. A liquidity ratio shows how financially stable a business is by demonstrating what a business owes versus what it owns. With a high liquidity ratio, businesses are more prepared to pay short-term liabilities and any unexpected expenses, bills, or obligations. A low liquidity ratio shows that it may be difficult for a business to turn assets into cash within a brief period if an unanticipated situation occurs and, therefore, is at a greater risk of bankruptcy. The ability to accurately determine a business' current state of liquidity is essential for making wise business decisions.

In addition, a business' liquidity ratio is usually a factor in decision making for lenders and investors looking to provide loans or funding. They want to have an idea of how easily the business could obtain cash if needed. In times of increased inflation and skyrocketing interest rates, liquidity ratios can make or break a business. For these reasons, the ability to accurately determine and manage liquidity and cash is an even greater concern to business owners now than ever. Using the proper treasury management system can assist with these liquidity concerns while guarding against error-prone manual processes, low cash flow awareness, compliance issues, and disorganized data.

Key features to take under consideration when determining the best treasury management solution for a business include automation capabilities, analytics and reporting, forecasting capabilities, compliance functions, reconciliation, security and, of course, liquidity tracking and cash management. These features assist with a variety of pain points a treasurer and accounting department may face and provide decision makers with real-time views of the business' financial standings.

As a result of current events and a growing emphasis placed on liquidity and cash management, treasury management solutions are finding themselves in the spotlight. Common features of treasury management systems include liquidity and cash management, proving them invaluable to businesses struggling to maintain an accurate picture of their cash flow and current liquidity ratios. While these features are extremely useful, they can fall under scrutiny if not updated and streamlined according to the current needs of users.

Now is the time for treasury management software providers to highlight their liquidity and cash management features when interacting with potential clients. This is also a perfect opportunity to improve and streamline processes that may be outdated, overly complicated, or difficult to implement, as these features will be under greater scrutiny than usual. Taking the initiative to meet the evolving

liquidity and cash management needs of today's treasurer will set up a software provider apart from the competition.

Enterprise Difference

Within the enterprise segment, organizations often have dozens (sometimes hundreds) of back-office applications connected to the process or resulting data from travel and expense management. Data from treasury activities must flow between all the relevant finance functions, including accounts payable (AP), accounts receivable (AR), FP&A, order management, and procurement. In addition, the data must flow outside of the finance teams as well including investors and lenders, certain government agencies, banking/financing partners, and even to certain customers and suppliers. Here are few issues that enterprise businesses feel more acutely than smaller businesses, including:

- **Centralized liquidity/cash data:** The centralization of liquidity data streamlines financial operation, allowing for better control for financial leaders. Centralization provides financial leaders with the opportunity to standardize cash management across all legal entities, reduce the number of bank accounts in use, and provide a more holistic view of bank or foreign exchange (FX) exposures.
- **Deep liquidity analytics:** Having access to deep analytics provides users with the ability to better predict future liquidity. More importantly, it allows them the chance to find patterns or overlooked items that have business significance (e.g., identifying cash as a revenue-generating asset, monitoring bank fees, and deposit rates).
- **Real-time massive data:** Finance leaders need real-time information to optimize decision making but often must wait to the end of day/period/quarter to get an accurate and holistic view of the current state of the enterprise liquidity. Today's liquidity manager needs real-time data to build accurate forecasts and market simulations. Real time is also essential in effective communication of the business cash position between stakeholders.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

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

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

- Vendors must have a SaaS or cloud offering – on-premises-only applications are out of scope.
- Software applications can be purchased separately (not just functionality built into a larger system) and are available off-the-shelf without required customization.
- Software application has capabilities for treasury management features including bank relationships management, corporate payment management, financial risks management,

cash and liquidity management, debt and credit ratings, debt and investments, and hedge accounting.

- The vendor had 2023 revenue in at least two countries.
- The vendor had at least \$5 million in 2023 treasury management software revenue.
- The vendor had minimum of one treasury product in market for at least three years.
- The vendor must have a significant footprint with business with more than 1,000 employees.

ADVICE FOR TECHNOLOGY BUYERS

The process of transitioning treasury management from a manual model to an intelligent model can be a challenging one. It is important to structure your treasury department to be more efficient and agile to cope with the ever-changing compliance/regulatory/liquidity demands. Here are key steps in the journey toward optimizing your treasury management department through the addition of an advanced software package like the ones listed in this document:

- **Begin by looking inward:** Before you choose your treasury management software vendor or even whether a dedicated TMS is a sound investment for your organization, first you should take the opportunity to do some self-reflection. Here are key questions to ask regarding the internal resources and processes:
 - What are the issues I would like to resolve with this new system?
 - Are the issues technology related?
 - What are my internal support resources and capabilities?
 - How should we define success for this implementation?
 - Which internal stakeholders should we include in the evaluations processes?
- **Select the right partners (internal and external):** The first step in the journey to TMS is developing a strategy and plan for the implementation. This includes doing due diligence in finding the right TMS vendor. Here are key questions to ask regarding the TMS vendor:
 - Does the vendor have experience with my type of product, service, and company size?
 - Can the vendor show you a live demo with your organization's "live/real" data to show the benefit to the business?
 - Does the vendor understand the regulations that will impact my business? How are these regulations reflected in my current product, and how will they change in the future?
 - What is the vendor's strategic investment outlook for the next three to five years? Why? How will that change and enhance my business?
- **Take ownership of the implementation:** For optimal results, organizations must take an active role in the actual implementation of the software. Treasury management software touches upon other back-office systems (ERP, finance, accounts receivable, supply chain, inventory, etc.). As a result, extreme attention must be given to how the TMS system is set up and how it interacts with other systems within your organization. Here are key questions to ask regarding the TMS implementations:
 - What levels of support are available, and are they geographically available for my business?
 - How should I set up the service-level agreement (SLA) before signing any contracts?
 - Can TMS integrate with my company's other IT systems and those of my partners?

- Which IT systems need to integrate and to what degree?
- How are we set up to deal with frequent product updates?
- **Note that post-implementation is critical:** The success of any SaaS implementation hinges on what happens after the implementation is up and running. This is where change management takes center stage, and the people side of treasury management becomes essential. Here are a few key questions to ask regarding the post-go-live phase of TMS implementations:
 - Do we have a strategy to encourage rapid adoption among treasury employees?
 - Do we have the right amount of training for employees to master the new features within the TMS system?
 - Are we communicating the purpose and benefits of the system change to the treasury employees?
 - Have we aligned existing policies and procedures to enable the adoption of the new workflows?

This IDC MarketScape vendor assessment assists in answering these questions, among others. The goal of this document is to provide potential software customers with a list of treasury software companies that have taken great strides to incorporate the previously listed capabilities. We have profiled and assessed their capabilities to support the complicated area of treasury management software.

VENDOR SUMMARY PROFILES

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

Kyriba

After a thorough evaluation of Kyriba's strategies and capabilities, IDC has positioned the company in the Leaders category in this 2023 IDC MarketScape for the worldwide SaaS and cloud-enabled enterprise treasury and risk management applications market.

Kyriba is a secure, scalable SaaS platform that leverages artificial intelligence, automates payments workflows, and enables multinational corporations and banks to maximize growth, protect against loss from fraud and financial risk, and reduce operational costs.

Kyriba's platform offers a range of solutions, including cash and liquidity management, forecasting and budgeting, risk management, payments and bank connectivity, and financial accounting. The platform is designed to help companies of all sizes, from small businesses to large enterprises, and manage their financial operations more efficiently and effectively.

Quick facts about Kyriba include:

- **Employees:** 1,000
- **Total number of clients:** 2,500+
- **Globalization:** 100+

- **Industry focus:** Chemicals, consumer goods, energy, financial services, healthcare, higher education, insurance, manufacturing, nonprofit, real estate, retail, technology, transportation, hospitality, and utilities
- **SaaS:** Multitenant SaaS platform
- **Pricing model:** Combination of annual subscriptions and consumption based
- **Partner ecosystem:** 100+

Strengths

- **Data and connectivity:** Kyriba's platform uses APIs to unify data across the enterprise, AI to predict and enrich new data, and embedded Analytics to visualize and present data patterns and reporting. Kyriba offers out-of-the-box, certified connectivity to ERP vendors including SAP ECC and S4/Hana, Oracle, NetSuite, and Microsoft Dynamics and includes prebuilt connectors to over 1,000 global banks for bank reporting and payments. Kyriba offers a SWIFT service bureau alongside APIs and other direct to bank connectivity.
- **More than treasury:** Kyriba's platform offers treasury alongside risk management, payments, working capital, and connectivity products. Each can operate standalone or as a single solution. Kyriba was originally built as a cash management solution and has developed into a comprehensive TMS with products that are designed for IT and other branches within the office of the CFO

Challenges

- **Client's short-term goals:** Focus by clients on immediate functional requirements to replicate their current business practices without fully strategizing future requirements and involving their IT teams soon enough to leverage available transformation capabilities can be a challenge when implementing a new TMS.
- **Client internal alignment:** As Kyriba offers more than TMS capabilities (payment factory, payables finance, and receivables finance), there are challenges in obtaining an internal alignment of many teams in the client organization (CFO, treasury, accounting, procurement, IT, etc.) to leverage all Kyriba's capabilities.

Consider Kyriba When

Consider Kyriba if you are looking for a comprehensive TMS that features a robust cash and liquidity management system from a company that also offers many additional finance department capabilities.

APPENDIX

Reading an IDC MarketScape Graph

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

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

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level

decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

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

IDC MarketScape Methodology

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

Market Definition

Treasury and risk management applications support corporate treasury operations (including the treasuries of financial services enterprises) with the corresponding financial institution functionality and optimize related cash management, deal management, and risk management functions, as follows:

- Cash management automation includes treasury processes involving electronic payment authorization, bank relationship management, and cash forecasting.
- Deal management automation includes processes for the implementation of trading controls, the creation of new instruments, and market data interface from manual or third-party sources.
- Risk management automation includes performance analysis, Financial Accounting Standards (FAS) 133 compliance, calculation of various metrics used in fixed-income portfolio analysis, and market-to-market valuations.

LEARN MORE

Related Research

- *Autonomous Finance: Navigating the Future of Finance with Autonomous Technology* (IDC #US50570423, April 2023)
- *IDC Market Glance: Treasury and Risk Software, 1Q23* (IDC #US50231423, March 2023)
- *Worldwide Treasury and Risk Management Applications Forecast, 2022-2026: Unified Liquidity Management Paving the Future* (IDC #US48514922, August 2022)
- *Worldwide Treasury and Risk Management Applications Market Shares, 2021: Liquidity Management Moves to the Forefront* (IDC #US48514822, August 2022)
- *Market Analysis Perspective: Worldwide Treasury and Risk Management Applications, 2022* (IDC #US48516322, August 2022)

Synopsis

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

"The current uncertainty has forced CFOs to prioritize business resiliency and continuity by optimizing liquidity management. This will mean a greater focus on working capital management including sourcing external funding and providing financing for critical suppliers efficiently," says Kevin Permenter, research director, Financial Applications at IDC.

About IDC

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