

IDC MarketScape: Worldwide Accounts Receivable Automation Applications for the Enterprise 2024 Vendor Assessment

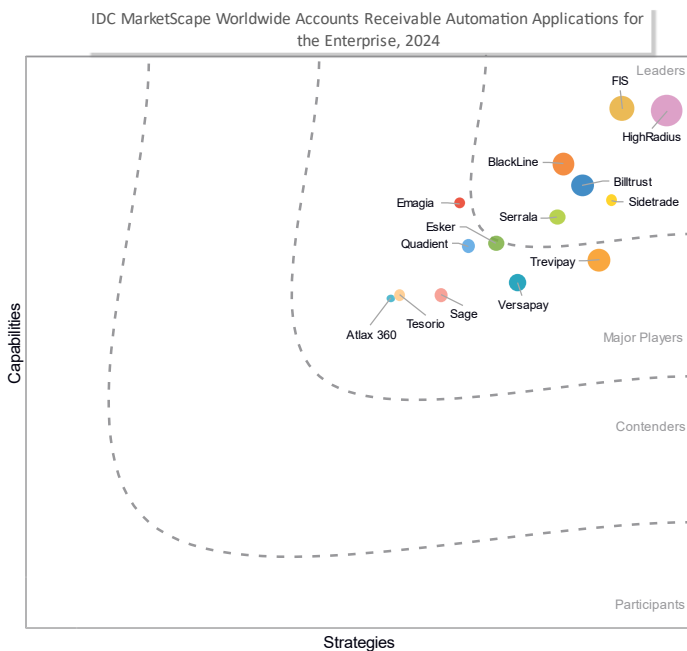
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THIS IDC EXCERPT FEATURES TREVIPAY AS A MAJOR PLAYER

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Accounts Receivable Automation Applications for the Enterprise Vendor Assessment



Source: IDC, 2024

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

ABOUT THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Accounts Receivable Automation Applications for the Enterprise 2024 Vendor Assessment (Doc # US51740924).

IDC OPINION

The challenges of traditional accounts receivable (AR) processes are well documented, primarily revolving around inefficiencies that negatively impact financial operations. Slow payment cycles, often due to manual efforts, can strangle a company's cash flow and are prone to errors such as inaccurate billing, underbilling, or overbilling. Modern AR software addresses these issues by automating the AR process, significantly reducing the time spent on billing and collections, thereby accelerating cash flow and improving billing accuracy. This automation allows finance teams to focus on strategic activities rather than day-to-day operational tasks, contributing to better customer relationships and a stronger bottom line.

Key challenges in AR include bad debts, unpaid bills, late invoicing, billing mistakes, and ineffective payment tracking. Bad debts arise when businesses cannot collect money from customers due to nonpayment, bankruptcy, or refusal to pay. Unpaid bills and slow payments disrupt consistent cash flow, placing a financial burden on companies. Manual invoicing can cause delays in reaching customers, leading to delayed payments and negative cash flow. Billing mistakes, such as wrong amounts or duplicate invoices, are more likely with manual processes. Ineffective tracking of payments makes it difficult to know which invoices are paid and which are pending, complicating follow-up efforts.

Effective communication with customers is often undervalued, typically occurring through untracked emails or phone calls, making it hard to keep track of important information. Modern AR software offers key features to address these challenges, including scalability, customer management tools, and compliance/security measures. Scalability ensures the software can handle increased workloads and maintain performance and stability. Customer management tools streamline the payment experience, improving customer relationships. Compliance and security features help businesses adhere to legal, regulatory, and ethical standards, crucial for handling sensitive billing and payment data.

Selecting the right AR software is crucial for enhancing financial health and operational efficiency. This decision should be based on a thorough understanding of business needs, software scalability, integration capabilities, and security measures. The future of AR technology, with the integration of artificial intelligence (AI) and machine learning

(ML), promises even greater advancements, making AR operations more predictive, secure, and efficient. Embracing these technologies optimizes AR processes, positions businesses at the forefront of financial management innovation, enhances cash flow management, reduces administrative burdens, and improves customer satisfaction. Therefore, staying informed and proactive in integrating advanced AR solutions is imperative for transforming business operations for the better.

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 software application on buyer's selection list based on the following:

- Vendors must have a SaaS or cloud offering — on-premises-only applications are out of scope.
- Software applications can be purchased separately (not only functionality built into a larger system) and are available off the shelf without required customization.
- Software application has capabilities for cash application management, credit management, presentment/billing, deduction management, collection, and reporting capabilities.
- The vendor had 2023 revenue in at least two countries.
- The vendor had at least \$5 million in 2023 software revenue.
- The vendor must have a minimum of one account receivable product in the market for at least three years.
- The vendor must have a significant footprint with a business of more than 1,000 employees.

ADVICE FOR TECHNOLOGY BUYERS

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

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

- **Begin by looking inward.** Before making purchasing decisions on software, here are a few key questions to ask regarding the internal resources and processes:
 - What are some of the issues I would like to resolve with this new system?
 - Are the issues technology related?
 - What are my internal support resources and capabilities?
 - How should we define success for this implementation?
 - Which internal stakeholders should we include in the evaluation processes?
 - How will a new system change my organization?
- **Select the right partners (internal and external).** The first step in the journey to implementing accounts receivable systems is developing a strategy and plan for the implementation. This includes doing due diligence in finding the right vendor. Here are a few key questions to ask regarding the software vendor:
 - Does the vendor have experience with my type of product, service, and company size?
 - Can the vendor show me a hands-on demo with my organization's "live/real" data to show the benefit to the business?
 - Does the vendor understand the regulations that will impact my business? How are these regulations reflected in my current product, and how will it change in the future?
 - What is the vendor's strategic investment outlook for the next three to five years? Why? How will that change and enhance my business?
- **Consider the foundation.** Accounts receivable applications vendors have seen many iterations from a technology architecture standpoint. Even among cloud vendors, there are many different varieties of software architectural approaches. IDC believes that taking time to understand the foundation of the software and its advantages (or limitations) is of critical importance during the buying decision. Here are a few key questions regarding the software vendor:
 - What is the data flow design within the current solution?
 - What kind of APIs are available now from this vendor? RESTful? SOAP? GraphQL?
 - What kind of developer tools does the vendor provides (e.g., sandbox, dedicated portal, low-code/no-code tools, and database management tools)?

- Is any part of the software currently built on a microservice architecture? If so, which parts?
- **Take ownership of the implementation.** For the best results, organizations must take a very active role in the actual implementation of the software. Accounts receivable software touches upon a lot of other back-office systems (budgeting and planning, accounts payable, payroll, sales management, talent management, etc.). As a result, extreme attention must be given to how the accounts receivable system is set up and how it interacts with other systems within your organization. Here are a few key questions to ask regarding the software's 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 the system integrate with my company's other IT systems and those of my partners?
 - Which IT system needs to be integrated and to what degree?
 - How are we setup to deal with frequent product updates?
- **Post-implementation is critical.** In many ways, the success of any SaaS implementation hinges on what happens after the implementation is up and running. This is where change management takes center stage and the people's side of accounts receivable management becomes essential. Here are a few key questions to ask regarding the post-go live phase of software implementations:
 - Do we have a strategy to encourage rapid adoption among employees?
 - Do we have the right amount of training for employees to master the new features within the system?
 - Are we communicating the purpose and benefits of the system change to the relevant employees?
 - Have we aligned existing policies and procedures to enable the adoption of the new workflows?

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

VENDOR SUMMARY 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.

TreviPay

After a thorough evaluation of TreviPay's strategies and capabilities, IDC has positioned the company in the Major Players category in this 2024 IDC MarketScape for worldwide accounts receivable automation applications for the enterprise.

TreviPay provides a fully managed O2C platform that provides merchants predictable and fast DSO with guaranteed on-time payments. TreviPay's platform includes buyer onboarding, AML/KYB, invoicing, reconciliation, dispute management, risk management, and optional financing. TreviPay's payment network connects sellers and buyers in the manufacturing, retail, and transportation industries via a modern suite of APIs and online portals. TreviPay is able to help merchants offer net terms internationally and to B2B buyers of all sizes from SMBs to enterprises with complex hierarchies, parent/child billing, contract pricing, and purchasing lines over \$20 million.

Quick facts about TreviPay include:

- **Employees:** 675
- **Total number of clients:** 55 active programs serving 80,000 buyers and 90,000 sellers
- **Globalization:** Currently supports 15 languages in over 200 countries
- **Industry focus:** Multi-industry but concentrated in manufacturing, retail, travel, and banking
- **Partner ecosystem:** 50+ reselling partners and 10+ technology partners

Strengths

- **Deep payment management functionality:** TreviPay's Universal Acceptance offering with Mastercard allows clients to offer net terms with little to no integration work, if they already accept credit card payments. Also, TreviPay offers different recourse options, which allow clients to determine how much risk they want to take on including none, some, or even 100% of the risk.
- **Robust APIs:** The TreviPay suite of APIs enables merchants to directly integrate invoicing into any ecommerce platform, point-of-sale environment, or order management platform. In addition, TreviPay enables a white-labeled solution that may be embedded within the checkout, giving buyers a line of sight into how much credit they have available in real time. Terms to buyer and settlement with client are both independently configurable, enabling guaranteed DSO.
- **Expanding/expansive ecosystem:** TreviPay has invested a great deal into building out the ecosystem around its product. The most recent investments include a strategic partnership with Mastercard to give suppliers the ability to extend trade credit financing and invoicing using Mastercard's commercial card

payment capabilities. Also, TreviPay recently announced a strategic partnership with Allianz Trade that integrates Allianz Trade's credit insurance into TreviPay solution for enhanced risk management that enables funding capabilities.

Challenges

- **Combining AR and deep financial services:** Combining AR functionality and payment/financing capabilities comes with an additional cost, and prospects don't always immediately recognize the additional costs beyond their employees (e.g., bad debt and working capital). TreviPay has made significant investments recently to educate users and to build a large partner ecosystem that will address these issues directly.
- **Market awareness:** It hasn't been that long since TreviPay rebranded, which carries some marketing challenges in and of itself. In addition, the service/solution that TreviPay offers can be difficult for some buyers to immediately see the points of differentiation. While a persistent challenge, TreviPay has taken this challenge head-on with a combination of adding new internal market-related resources and an ongoing commitment/investment to build the brand.

Consider TreviPay When

Consider TreviPay if you are a company looking for a SaaS solution with extensive financial services that are natively available.

APPENDIX

Reading an IDC MarketScape Graph

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

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

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

customer segments, and business and go-to-market plans for the next three to five years.

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

IDC MarketScape Methodology

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

Market Definition

Accounts receivable software supports applications that support the tracking, analysis, and management of money owed to the company. AR software provides reporting and analysis of unpaid accounts and collection efforts. Core functionality for AR software includes cash management, credit management, presentment/billing, deduction management, collection, and reporting capabilities.

LEARN MORE

Related Research

- *Market Analysis Perspective: Worldwide Accounts Receivable Applications, 2024* (IDC #US51659724, September 2024)
- *Worldwide Accounts Receivable Applications Market Shares, 2023: The Customer Experience Comes into Focus* (IDC #US51659124 August 2024)
- *Worldwide Accounts Receivable Applications Forecast, 2024–2028* (IDC #US51659224, August 2024)
- *IDC Market Glance: Accounts Receivable Applications, 1Q24* (IDC #US51658124, March 2024)

- *Generative AI Use Case Taxonomy: The Finance Function* (IDC #US51940924, March 2024)
- *Generative AI in Accounts Receivable: Opportunities to Better Manage Collections and Cash Flow* (IDC #US51433623, December 2023)

Synopsis

This IDC study provides an assessment of the leading accounts receivable automation applications for the enterprise solutions and discusses the criteria that are most important for companies to consider when selecting a system.

"Automating AR processes not only accelerates cash flow but also reduces errors and enhances customer relationships, positioning your business at the forefront of financial management innovation," says Kevin Permenter, senior research director, Financial Applications at IDC.

ABOUT IDC

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

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