Total Economic Impact

The Total Economic Impact™ Of The Ivalua Spend And Supplier Management Platform

Cost Savings And Business Benefits Enabled By The Ivalua Spend And Supplier Management Platform

A FORRESTER TOTAL ECONOMIC IMPACT STUDY COMMISSIONED BY Ivalua, May 2025

FORRESTER®

Executive Summary

Organizations today face increasing pressure to streamline procurement, mitigate risk, enhance compliance, and reduce operational costs. This study highlights how adopting the Ivalua Spend and Supplier Management Platform can address fragmented systems, manual processes, and limited visibility — helping organizations achieve faster cycle times, improved supplier onboarding, and measurable cost savings. For companies looking to modernize procurement and unlock strategic value, Ivalua offers a unified and flexible solution.

Ivalua's Spend and Supplier Management Platform provides a centralized solution to manage sourcing, contracts, suppliers, and procurement operations. It helps organizations replace manual or siloed processes with end-to-end digital workflows, improving visibility, compliance, and efficiency. The platform supports integrations with existing systems and offers flexibility to adapt to complex or evolving organizational needs.

Ivalua commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying Ivalua's platform.[1] The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of Ivalua's platform on their organizations.

393%

Return on investment (ROI)

$25.5M

Net present value (NPV)

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four decision-makers with experience using Ivalua's Spend and Supplier Management Platform. For the purposes of this study, Forrester aggregated the interviewees' experiences and combined the results into a single composite organization that is a retail organization with 10,000 suppliers, 300 users, and $1 billion in annual revenue.

Interviewees said that prior to using Ivalua, their organizations relied on a patchwork of disparate legacy tools and manual procurement processes that varied significantly across business units and geographies. However, prior attempts at streamlining operations and improving compliance yielded limited success, leaving them with fragmented data, inconsistent supplier engagement, and inefficient contract and sourcing cycles. These limitations led to poor visibility across procurement, delayed onboarding, compliance risks, and inflated operating costs.

After the investment in Ivalua, the interviewees reported centralized and standardized procurement environments, improved process governance, and reduced manual tasks. Key results from the investment included multimillion-dollar savings from procurement efficiencies, faster supplier onboarding and contract cycle times, increased compliance, and the decommissioning of legacy systems.

Key Findings

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **Procurement efficiency savings of $24.2 million.** Through enhanced visibility, automation, and procurement process standardization, the composite organization achieves average annual procurement cost savings between 2.25% and 2.35% of its total spend. It also reduces procurement and accounts payable (AP) operating costs by 20% to 30%. With annual procurement spend totaling $500 million, half of the revenue generated by the composite organization, improvements such as faster sourcing cycle times, increased spend under management, centralized supplier data and greater spend visibility drive savings of $24.2 million over three years. These gains allow teams to focus more on strategic value creation and less on administrative tasks.
- **Supplier onboarding time savings of 80%.** Digitizing and automating supplier onboarding processes enables the composite organization to reduce new supplier onboarding time. Previously, onboarding took an average of 336 hours or 14 days per supplier. Ivalua reduces this process by 80%, enabling faster access to preferred vendors and accelerating procurement cycles.
- **Invoice process efficiency savings of $1.3 million.** Prior to implementing the Ivalua platform, the composite organization relied on manual, paper-based invoice processing. This approach required significant effort from finance professionals, and it introduced errors, delayed payments, and limited visibility across AP workflows. Interviewees reported that invoice processing was fragmented across systems, with little automation and high administrative overhead. With Ivalua, the organization achieves near-complete automation of invoice processing. The system digitizes, validates, and routes invoices automatically, which improves payment accuracy, speeds up invoice cycle times, and enhances supplier relationships. The automation also allows the composite to reallocate finance professionals to higher-value tasks — including up to 100% of AP staff effort. The average fully burdened annual salary for a full-time AP employee is $75,000, and there are eight workers impacted. Over three years, these efficiencies save the composite $1.3 million.
- **Decommissioning of legacy systems**. Consolidating and replacing multiple disconnected procurement-related tools enables the composite organization to reduce IT overhead and licensing costs associated with legacy systems. Prior to adopting Ivalua, the organization used six separate procurement tools, each supporting different functions such as vendor management, invoicing, and sourcing. The annual cost of maintaining these tools was $450,000. With Ivalua's unified platform, the organization decommissions all six tools and saves $1.2 million in legacy system expenses over three years. Beyond cost reduction, this consolidation simplifies system maintenance, streamlines procurement workflows, and improves data integrity across procurement operations.

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified for this study include:

- **Enhanced visibility into procurement activities.** Ivalua's Spend and Supplier Management Platform provides centralized and auditable procurement records, helping the organization improve its compliance posture, reduce audit risks, and make faster, more strategic decisions with cleaner data.
- **Improved data quality and efficiency with a "golden supplier record."** Consolidating and maintaining a single source of truth for supplier information, including sub-tier suppliers, allows the platform to eliminate duplication and reduce errors across procurement functions. This standardization simplifies onboarding, compliance, risk management, and performance tracking while improving cross-functional collaboration. This 360 degree visibility supports better optimization across procurement's broad set of objectives.
- **Well-supported environmental, social, and governance (ESG) initiatives and reporting readiness.** The solution helps the organization align with ESG goals by capturing supplier sustainability data, tracking metrics, and enabling more informed sourcing decisions. The platform's readiness for ESG reporting ensures the organization stays compliant with evolving regulations and stakeholder expectations.

- **Improved compliance and risk mitigation.** With built-in controls, audit trails, and automated workflows, the platform supports regulatory compliance and reduces the risk of errors or fraud. The composite experiences greater peace of mind during audits and inspections due to centralized documentation and consistent procurement practices.
- **Increased scalability and support for organizational growth.** As the composite organization expands, the platform supports new business units and supplier onboarding without major operational disruption. Procurement teams can manage growing spend and supplier volumes with minimal headcount increases due to automation and modular deployment options.

Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **Implementation costs.** The composite organization incurs $845,000 related to internal resource time, planning, and solution deployment over an eight-month period.
- **License fees.** The composite organization pays license fees of $1.4 million for the full Source-to-Pay (S2P) platform, which scales with use and supplier volume.
- **Professional services and maintenance fees.** The organization incurs professional service and maintenance costs to support implementation, integration, upgrades, and technical improvements, totaling $2.2 million over three years.
- **Training fees.** Internal training, including trainers and user enablement efforts, result in costs of $2 million over three years.

The financial analysis that is based on the interviews found that a composite organization experiences benefits of $31.9 million over three years versus costs of $6.5 million, adding up to a net present value (NPV) of $25.5 million and an ROI of 393%.

Benefits PV gained

$32 million

> *"We can source, negotiate, and contract in days now — it used to take weeks. That speed means we can respond to the business in real-time."*
>
> **Amanda Christian, senior VP of purchasing and contracts, CACI**

Key Statistics

393%

Return on investment (ROI)

$31.9M

Benefits PV

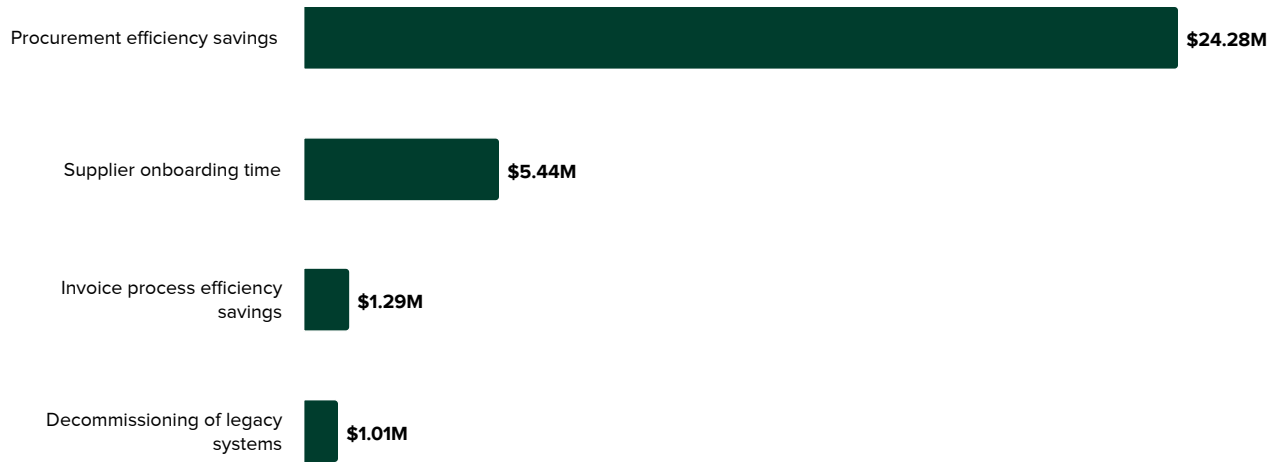
$25.5M

Net present value (NPV)

< 6 months

Payback

Benefits (Three-Year)



The Ivalua Spend And Supplier Management Platform Customer Journey

Drivers leading to the platform investment

Interviews			
Role	**Industry/Company**	**Region**	**Number of Suppliers**
Senior VP of purchasing and contracts	IT, national security and defense	US	40,000
Chief procurement officer (CPO)	Insurance	Bermuda	10,000
Senior director of supply chain	Aerospace and defense electronics, digital imaging, and engineering systems	US	5,000
CPO	Construction, energy, and industrial	Sweden	1,000

Interview Spotlight

Ivalua As Used By A Midmarket Company

The interviewees' organizations realized similar benefits despite varying levels of procurement maturity and significant differences in their sizes and industries. Hiscox, a specialist insurer, deployed Ivalua as part of a wider transformation of its procurement function, which was relatively immature. The inefficiencies within its procurement processes and AP contributed to a relatively high expense ratio for the business relative to competitors. It lacked centralized procurement technology and relied on mostly manual processes. A complex federated business model across multiple regions exacerbated the impact, making standardization difficult and resulting in excessive suppliers and AP headcount for a business of its size. Hiscox's visibility into spend was extremely limited and less than one contract per supplier was captured in its repository. Less than 20% of spend was under management.

As part of a procurement transformation program, it launched an S2P digitization initiative to improve efficiency and the overall expense ratio, a key financial metric in the industry. By building centralized procurement functions, simplifying its AP teams, and digitizing the S2P process, it aimed to bring more spend under management; improve regulatory compliance and risk management; rationalize its supply base; and improve collaboration across procurement, finance and the wider business.

Several factors drove Hiscox's technology selection. To ensure adoption of a new approach, it prioritized ease of use. It wanted default standardization of best practices but also flexibility to support unique requirements in different parts of the business to prevent pushback without requiring coding or complexity. Additionally, simple enterprise resource planning integration and strong supplier risk and performance management were essential. Total cost of ownership was also a factor in the final selection. After evaluating 10 S2P providers, Hiscox selected Ivalua.

Hiscox deployed Ivalua's full S2P in phases, starting with source-to-contract (S2C) and ending with procure-to-pay. It deployed S2C within a few months and the full S2P process within 10 months in various waves across its global footprint. The results were fairly representative of other customers interviewed. Key benefits included:

- Reduction in operating costs by 20%, driven by high levels of automation, process standardization, and faster supplier enablement.
- Quickly increased spend under management from less than 20% to 58%, with progress ongoing toward a 2027 goal of 82% and significant financial benefits as a result.
- Automated risk monitoring and compliance.
- Rationalized the supply base to improve performance and reduce unit prices. Went from more than 10,000 suppliers to around 3,000 initially with the goal to reduce suppliers further.
- Gained the ability to stand up effective centralized procurement and AP teams with global visibility.

Ivalua As Used By A Large Government Contractor

CACI is a $7.7 billion company that develops and delivers technology solutions for the US government. Despite its larger size, industry, and greater initial procurement maturity, its challenges and benefits were similar to other

Ivalua customers interviewed. CACI had existing systems, an active M&A strategy, and multiple ERP tools; however, its systems and processes were disjointed, inefficient, and lacking transparency.

To uplevel procurement and AP operations, the organization decided to transition to a unified S2P platform. Ease of use was essential in any system to drive adoption and reduce training efforts across its diverse organization. Any system had to have a proven record of supporting rapid supplier onboarding given CACI's 40,000 suppliers. Standardization was important but needed to be paired with flexibility to support unique federal contracting requirements. Furthermore, high security standards were essential.

After an extensive selection process spanning 1.5 years, CACI determined Ivalua as best able to support its requirements and provide a high ROI. As with other customers interviewed, it phased the rollout of the full S2P, with the full scope deployed over two years and partial benefits realized much earlier. CACI added AI-powered contract management once it became available. Key benefits realized included:

- Reduced operating costs by 30% with gains driven by faster invoice processing and sourcing and contracting process efficiencies.
- Reduced supplier onboarding time from an average of 21 days to one day and enabled 98% of suppliers.
- Improved speed and accuracy of contract drafting and compliance tracking by using AI.
- Improved contract terms by at least 3% and extended payment terms by a minimum of 10 days.
- Improved regulatory compliance efficiency, simplifying 7,000 audit reports that previously took one hour each to a single click.
- Gained the ability to scale procurement and AP as the business grew from $3 billion to nearly $8 billion without needing additional headcount.

System flexibility provided an unexpected benefit when CACI decided to transition to a centralized shared services model. The complicated nature of federal contracting required specialized knowledge that would have required hiring new, more costly resources. However, by configuring those requirements into intelligent workflows, CACI was able to stand up a shared services center in three months without hiring new resources.

Key Challenges

Before adopting Ivalua, interviewees' organizations relied on multiple disconnected systems, manual processes, and outdated tools to manage procurement and supplier operations. These legacy systems offered limited visibility, were difficult to scale, and lacked the integration needed for real-time decision-making. In many cases, organizations used six systems just to manage sourcing, contracting, and invoicing activities. Interviewees noted how their organizations struggled with common challenges, including:

- **Fragmented procurement tools and systems made it difficult to operate efficiently.** Prior to adopting Ivalua's platform, interviewees' organizations often relied on multiple systems across the S2P lifecycle. This fragmentation increased operational complexity; limited data visibility; and introduced delays in sourcing, contracting, and payment workflows.
- **Manual processes created inefficiencies and slowed decision-making.** Teams frequently managed solicitations through email, spreadsheets, and word processing tools; tracked vendor data in spreadsheets; and relied on shared drives for recordkeeping. Using multiple tools created inconsistency in data, increased audit risk, and required significant manual effort to reconcile or extract insights.
- **Limited scalability hampered growth and resource allocation.** As interviewees' organizations grew, they struggled to match pace with staffing or procurement capacity. The inability to standardize and automate procurement workflows made it difficult to onboard suppliers quickly, execute sourcing events efficiently, or maintain lean procurement teams. Furthermore, as each organization's structure and requirements evolved, their systems struggled to adapt, hindering agility.

Solution Requirements

The interviewees searched for a solution that could:

- **Drive measurable procurement efficiency and cost savings.** Organizations sought greater spend and sourcing cycle visibility, reduced cycle times, and improved negotiation leverage. Interviewees noted the importance of centralized data and digital workflows to optimize purchasing decisions and reduce procurement overhead.
- **Consolidate procurement activities into a single platform to eliminate system fragmentation.** Interviewees noted the need to replace multiple legacy tools with one integrated solution that could manage sourcing, contracting, invoicing, and supplier management from end to end, reducing maintenance efforts and improving the employee experience.
- **Enable automation and reduce manual effort across the S2P process.** Interviewees sought technology that could automate not just standard best practice processes but also those unique to their business. For example, organizations that operated under federal contracts had a strong emphasis on configurable workflows that could enforce documentation requirements, support audits, and enable traceability.
- **Enable invoice automation and improve process accuracy.** Interviewees aimed to reduce the manual burden of invoice management and accelerate approvals. The solution needed to support touchless invoicing, compliance workflows, and financial system integrations.

After an RFP and business case process evaluating multiple vendors, the interviewees' organizations chose Ivalua's Spend and Supplier Management Platform as the best fit for their needs.

- **Three out of the four interviewees said their organization took a phased deployment approach.** This included prioritizing higher ROI modules like vendor master data management, AP, and sourcing to realize benefits early in the process.
- **Deployments reached across indirect and direct spend, impacting hundreds of users and thousands of suppliers.** The organization rolled the platform out across procurement, contract management, and finance functions, enabling more than 300 internal users and onboarding thousands of suppliers.

> *"Having everything in one system improved our efficiency and data visibility overnight. We were able to reduce cycle times and eliminate redundant work."*
>
> **Senior director of supply chain, aerospace and defense**

> *"We cut supplier onboarding time from weeks to under 24 hours. Automation was key — we no longer chase paperwork or emails across departments."*
>
> **Amanda Christian, senior VP of purchasing and contracts, CACI**

Composite Organization

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the interviewees' organizations, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

- **Description of composite.** The composite is a global organization with 5,000 employees and $1 billion in annual revenue. It operates across diverse product categories and maintains a robust supplier ecosystem of 10,000 vendors. With 300 procurement users and operations spanning multiple regions, the organization manages a procurement spend equal to 50% of its revenue. Efficiency, compliance, and scalability are top priorities as it modernizes legacy systems and processes.
- **Deployment characteristics.** The composite organization begins using the Ivalua solution in Year 1, following a six-month implementation period. It rolls out the full S2P suite to supplier onboarding and AP functions before expanding to sourcing, contracting, and catalog management teams. By Year 3, the deployment reaches 100% of procurement users across all business units and geographies. The organization leverages internal IT teams and external third-party resources for implementation with ongoing platform enhancements supported by Ivalua.

KEY ASSUMPTIONS

- $1 billion in annual revenue
- $500 million in annual procurement spend
- 10,000 suppliers globally
- 5,000 employees
- 300 total platform users

Analysis Of Benefits

Quantified benefit data as applied to the composite

Total Benefits						
Ref.	**Benefit**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Atr	Procurement efficiency savings	$9,562,500	$9,775,000	$9,987,500	$29,325,000	$24,275,451
Btr	Supplier onboarding time	$2,187,000	$2,187,000	$2,187,000	$6,561,000	$5,438,745
Ctr	Invoice process efficiency savings	$486,000	$486,000	$486,000	$1,458,000	$1,208,610
Dtr	Decommissioning of legacy systems	$405,000	$405,000	$405,000	$1,215,000	$1,007,175
	Total benefits (risk-adjusted)	$12,640,500	$12,853,000	$13,065,500	$38,559,000	$31,929,981

Procurement Efficiency Savings

Evidence and data. Before deploying Ivalua's Spend and Supplier Management Platform, interviewees' procurement functions operated across multiple systems, often relying on manual processes such as email-based sourcing, shared drive storage, and disconnected spreadsheets. This fragmentation led to data inconsistencies; limited spend visibility; and inefficiencies across sourcing, contracting, and purchasing. One director noted, "I was spending more time cleaning data than using it to make decisions." Another reported that it was challenging to onboard staff into six different systems and said the lack of system integration slowed contract approvals and impeded cost saving initiatives.

After deploying the Ivalua solution, interviewees' organizations reported centralized procurement operations, improved data access, and faster time to action. Three out of the four interviewees reported measurable procurement cost savings ranging between 2% to 3% of total spend within two years of implementation. The use of punchout catalogs and negotiated supplier agreements also reduced maverick spend and improved PO compliance.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite's total annual revenue is $1 billion.
- Procurement spend represents 50% of total revenue, or $500 million annually.
- Cost efficiency savings equal 2.3% in Year 1, increasing to 2.3% in Year 2 and 2.4% in Year 3.
- These savings reflect gains from centralized sourcing, reduced cycle times, increased catalog adoption, and better contract compliance.

Risks. The procurement efficiency savings experienced by the composite organization may vary depending on several risk factors.

- If users are reluctant to adopt the new system or revert to legacy processes, the organization may not realize the full value of automation, standardization, or visibility improvements.

- Procurement savings depend heavily on supplier base dynamics, contract structures, and category-specific negotiation leverage. Organizations with low-spend leverage or unique sourcing needs may see lower savings.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $24.3 million.

2.5%

Average procurement savings of total spend per year

> *"Before, just cleaning and pulling spend data took days. Now we have it in seconds — that changes how fast we can act."*
>
> **Amanda Christian, senior VP of purchasing and contracts, CACI**

> *"The automation and catalogs have saved us massive amounts of time. It's been transformational for indirect procurement."*
>
> **CPO, construction, energy, and industrial**

Procurement Efficiency Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
A1	Global revenue	Composite	$1,000,000,000	$1,000,000,000	$1,000,000,000
A2	Procurement spend as a percentage of revenue	Composite	50%	50%	50%
A3	Procurement spend	A1*A2	$500,000,000	$500,000,000	$500,000,000
A4	Procurement cost savings	Interviews	2.25%	2.30%	2.35%
At	Procurement efficiency savings	A3*A4	$11,250,000	$11,500,000	$11,750,000
	Risk adjustment	↓15%			
Atr	Procurement efficiency savings (risk-adjusted)		$9,562,500	$9,775,000	$9,987,500
	Three-year total: $29,325,000			**Three-year present value: $24,275,451**	

Supplier Onboarding Time

Evidence and data. Interviewees described the supplier onboarding process prior to the Ivalua investment as fragmented and time-consuming, involving multiple systems, manual forms, and back-and-forth communication between procurement, finance, and compliance teams. Average onboarding timelines ranged from one to three weeks depending on the supplier type and industry. Several interviewees cited difficulties aggregating vendor information, validating compliance requirements, and ensuring accurate data entry. One interviewee shared that onboarding a

supplier previously took up to 21 days, citing paperwork, compliance checks, and shared drive documentation as bottlenecks. After implementation, organizations centralized onboarding workflows and automated intake, reducing onboarding time to between one and five days. A chief procurement officer noted: “Now we have one person managing supplier profiles, and the service-level agreement is one day. We couldn’t have ever thought about doing that before.”

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization.

- The composite organization onboards 10,000 suppliers annually, 5% of which are net-new.
- Each new supplier requires approximately 72 hours of effort from procurement and compliance personnel.
- The fully burdened hourly rate for the relevant professionals is $75.
- Ninety percent of new suppliers successfully onboard through the automated process and benefit from time savings.

Risks. The impact of supplier onboarding will vary with:

- The number of suppliers onboarded per year.
- Supplier speed in adopting onboarding tools, which could impact the realized time savings.
- Business units that operate independently or use localized processes, which may delay full process standardization.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $5.4 million.

90%

Percentage of successfully onboarded suppliers (by count)

> *“It used to take 21 days on average to bring a supplier into our system. Now we’ve reduced that to a minimum of 8 hours and a maximum of five days.”*
>
> **Amanda Christian, senior VP of purchasing and contracts, CACI**

Supplier Onboarding Time					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
B1	Suppliers	Interviews	10,000	10,000	10,000
B2	Percentage of new suppliers onboarded	Composite	5%	5%	5%
B3	New suppliers onboarded	B1*B2	500	500	500
B4	Fully burdened hourly rate for an FTE	TEI standard	$75	$75	$75
B5	Average hours saved per supplier	Interviews	72	72	72
B6	Percentage of suppliers captured	Composite	90%	90%	90%
Bt	Supplier onboarding time	B3*B4*B5*B6	$2,430,000	$2,430,000	$2,430,000
	Risk adjustment	↓10%			
Btr	Supplier onboarding time (risk-adjusted)		$2,187,000	$2,187,000	$2,187,000
	Three-year total: $6,561,000			**Three-year present value: $5,438,745**	

Invoice Process Efficiency Savings

Evidence and data. The interviewees shared that prior to implementing Ivalua, their invoice processing was highly manual, involving multiple disconnected systems, paper-based approvals, and frequent invoice data rekeying. These inefficiencies contributed to delays, compliance risks, and a higher reliance on finance staff to manage exceptions and validations. One interviewee highlighted that invoices previously arrived via fax or email and required manual entry and routing, and another described the process as “insanely inefficient” with significant time spent reconciling discrepancies and validating supplier data.

After deploying Ivalua, interviewees experienced a significant improvement in invoice process efficiency. The platform enabled centralized invoice submission, automated validations, and integrated approved workflows. This shift allowed organizations to move to a fully digital, paperless invoicing process. One interviewee reported their organization could reallocate up to 100% of its previously dedicated invoicing staff and saw invoice cycle times drop dramatically.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- Previously employed eight finance professionals to manage invoicing.
- With automation, the composite reallocates 90% of this effort in Year 1, Year 2, and Year 3.
- The average fully burdened annual salary for a finance professional is $75,000.

Risks. The impact of invoice process efficiency will vary with:

- A complex supplier base — especially if the organization lacks digital maturity.
- Organizations with highly specialized invoicing needs may require additional configuration, potentially delaying efficiency gains.
- Employees accustomed to legacy workflows may be slow to adopt automated systems without sufficient training.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $1.2 million.

90%

Time reallocation percentage from invoice automation

> *"By strongly encouraging suppliers to flip their POs into invoices through the platform, we eliminated most of the errors and sped up approvals dramatically."*
>
> **Karl Poulsen, CPO, Hiscox**

Invoice Process Efficiency Savings					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
C1	Finance professionals who managed invoicing before Ivalua	Composite	8	8	8
C2	Fully burdened annual salary for a finance professional	TEI standard	$75,000	$75,000	$75,000
C3	Time reallocation percentage from invoice automation	Interviews	90%	90%	90%
Ct	Invoice process efficiency savings	C1*C2*C3	$540,000	$540,000	$540,000
	Risk adjustment	↓10%			
Ctr	Invoice process efficiency savings (risk-adjusted)		$486,000	$486,000	$486,000
	Three-year total: $1,458,000		**Three-year present value: $1,208,610**		

Decommissioning Of Legacy Systems

Evidence and data. Interviewees said their organizations initially operated with fragmented procurement environments, relying on up to six disparate systems to manage sourcing, contract management, purchasing, invoicing, and vendor onboarding. Multiple interviewees described the difficulty of reconciling data and performing audits due to these disjointed systems. A VP and chief supply chain officer said: "We had to touch six different systems just to get a view of end-to-end procurement. It was a nightmare for both operations and auditors." Interviewees also shared that legacy tools included third-party ERPs, shared drives for contracts, and manual word processing or spreadsheet tools. Retiring these systems became a priority, and by consolidating them into a single platform, interviewees eliminated annual licensing costs, maintenance, and support for legacy procurement ways of working.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization previously used six procurement-related systems prior to adopting the Spend and Supplier Management Platform.
- The average annual cost per legacy system — including licensing, support, and indirect overhead — is $75,000.

Risks. The impact of decommissioning legacy systems may be affected by:

- Ending legacy tool or ERP contracts that include locked-in pricing or early termination penalties.
- Transition and overlap costs where legacy and new systems run in parallel, reducing short-term savings.
- Legacy systems holding critical data that is difficult to transition, potentially requiring additional integration costs.

Results. To account for these risks, Forrester adjusted this benefit downward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $1.0 million.

$450,000

Cost savings from decommissioning six procurement-related tools

> *"We had five separate AP teams each using different systems and processes. Being able to consolidate these into a single system and process allowed us to become more efficient."*
>
> **Karl Poulsen, CPO, Hiscox**

Decommissioning Of Legacy Systems					
Ref.	**Metric**	**Source**	**Year 1**	**Year 2**	**Year 3**
D1	Procurement-related tools	Interviews	6	6	6
D2	Average cost per procurement-related tool per year	Interviews	$75,000	$75,000	$75,000
Dt	Decommissioning of legacy systems	D1*D2	$450,000	$450,000	$450,000
	Risk adjustment	↓10%			
Dtr	Decommissioning of legacy systems (risk-adjusted)		$405,000	$405,000	$405,000
	Three-year total: $1,215,000			**Three-year present value: $1,007,175**	

Unquantified Benefits

Interviewees mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- **Greater visibility into procurement activities.** With centralized data and real-time dashboards, stakeholders gained end-to-end visibility into procurement and AP operations. This improved spend analysis, strategic planning, and contract compliance, especially for organizations operating in regulated industries.
- **Golden supplier record.** By consolidating supplier data across formerly siloed systems, interviewees' organizations could create a single source of truth for supplier profiles. This reduced data entry duplication and ensured more

accurate vendor performance tracking and audit readiness.

- **ESG support and readiness.** Although not fully deployed across all organizations, interviewees acknowledged the platform's ability to support ESG initiatives. Capabilities such as supplier background checks, carbon emissions tracking, diversity tracking, and sustainability scoring positioned them to meet evolving compliance and corporate social responsibility expectations.
- **Compliance and risk mitigation.** Automated workflows and digital documentation reduced manual errors and improved regulatory compliance for interviewees' organizations. Interviewees cited improved audit performance and lower exposure to supply chain risks and penalties from enhanced due diligence and controls.
- **Scalability and organizational growth support.** The platform enabled interviewees' organizations to scale operations and onboard new business units without proportional increases in procurement, AP headcount, or operational complexity. A senior VP of purchasing and contracts noted, "We grew from a $3 billion company to an $8 billion company while only adding a handful of procurement staff in a few years."

> *"The biggest change was visibility. We now know exactly where things stand — who our suppliers are, what we're spending, and where we have risks."*
>
> **Senior director of supply chain, aerospace and defense**

Flexibility

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement the Spend and Supplier Management Platform and later realize additional uses and business opportunities, including:

- **Seamless integration of new business units.** Interviewees shared that the Ivalua platform's modular and configurable design allowed their organizations to bring newly acquired or reorganized units into the procurement and AP process without requiring complex redevelopment or system overhauls.
- **Custom workflow configurations without heavy IT lift.** Users shared that they could modify approval chains, document handling, and invoice routing to meet internal policies and business changes with minimal reliance on IT support or third-party integrators after initial deployment. Ivalua's low-code, no-code platform supported most changes through configuration using a comprehensive workflow engine. Customer admins or Ivalua can perform these actions, which do not require writing code or roadmap enhancements.
- **Flexible user permissions and adoption levels.** The Ivalua platform allowed interviewees' organizations to tier access and customize roles — ensuring procurement, finance, legal, and other business units could collaborate within the same environment without overcomplicated training or security management.

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in Total Economic Impact Approach).

> *"We didn't need to overhaul the system every time a new business unit came in. It scaled with us, and we could configure workflows without starting from scratch."*
>
> **Amanda Christian, senior VP of purchasing and contracts, CACI**

> *“Rather than rely on IT to make changes, we now configure and scale the system ourselves, adapting to business needs faster than ever.”*
>
> **CPO, construction, energy, and industrial**

Analysis Of Costs

Quantified cost data as applied to the composite

Total Costs							
Ref.	**Cost**	**Initial**	**Year 1**	**Year 2**	**Year 3**	**Total**	**Present Value**
Etr	Implementation costs	$844,800	$0	$0	$0	$844,800	$844,800
Ftr	Procurement license fees	$0	$550,000	$550,000	$605,000	$1,705,000	$1,409,091
Gtr	Professional service fees (maintenance and support)	$0	$883,200	$883,200	$883,200	$2,649,600	$2,196,388
Htr	Training costs	$857,340	$857,340	$384,560	$98,780	$2,198,020	$2,028,773
	Total costs (risk-adjusted)	$1,702,140	$2,290,540	$1,817,760	$1,586,980	$7,397,420	$6,479,052

Implementation Costs

Evidence and data. Interviewees reported implementation timelines ranging from six to 10 months depending on organizational complexity and the module deployment sequence. Most organizations opted to use internal IT teams rather than external systems integrators to contain costs; however, this extended the implementation period and required additional internal resource commitment. A senior VP of purchasing and contracts shared: “We didn’t bring in an integrator. We trained three subject matter experts internally, and they became our dedicated deployment team. It wasn’t ideal, but it was the only way our organization would approve the budget.”

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization assigns a small internal team of procurement and IT professionals to lead the implementation, supplemented by targeted professional services support from Ivalua.
- The composite deploys all core modules over an eight-month period.

Risks. The total cost of implementation will vary with:

- Longer than expected implementation timelines.
- Whether an organization can reassign or hire new resources.
- The complexity of customization, which could lead to downstream rework and upgrade challenges.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $845,000.

8 months

Full implementation time for required modules

> *"If I were advising someone else, I'd say don't try to do it alone; bring in external help from the start. It'll cost you more upfront but save you a lot of pain down the line."*
>
> **Senior director of supply chain, aerospace and defense**

Implementation Costs						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
E1	Time required to implement Ivalua (hours)	Composite	1,280			
E2	Full-time FTEs involved in the implementation process	Composite	8			
E3	Fully burdened hourly rate for an FTE	TEI standard	$75			
Et	Implementation costs	E1*E2*E3	$768,000	$0	$0	$0
	Risk adjustment	↑10%				
Etr	Implementation costs (risk-adjusted)		$844,800	$0	$0	$0
	Three-year total: $844,800			**Three-year present value: $844,800**		

Procurement License Fees

Evidence and data. Interviewees reported paying annual license fees based on modules and user counts, with costs increasing as they added more modules. A senior VP of purchasing and contracts noted, "We negotiated early with Ivalua, but now we're up for renewal and the cost is going to increase, which is expected." A senior director added, "While initial license costs were favorable due to our early adoption, increases over time were expected as our organization added more functionality." Organizations that adopted the full suite of modules paid more than those that started with limited deployments or took a phased approach, but they benefited from simplified relationships and integrated data flow. Some interviewees noted that license fees included baseline support but not deeper customizations.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite organization pays an annual fee of $500,000 to cover 300 users and full platform functionality across all modules.
    - This fee includes usage across procurement, supplier management, and contract modules.
- License costs remain flat over a three-year period, with stable user counts and no additional major upgrades.

Risks. The total cost of license fees will vary if:

- The license fee increases over time through renewal negotiations and additional module use.
- Use expands beyond the initial scope by adding new business units or modules.

- An organization uses a phased approach, which can lead to incremental price increases versus opting for the full platform and capabilities.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $1.4 million.

Procurement License Fees						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
F1	License fees	Interviews	$0	$500,000	$500,000	$500,000
F2	Upgrades and/or module additions	Interviews		$0	$0	$50,000
Ft	Procurement license fees	F1+F2	$0	$500,000	$500,000	$550,000
	Risk adjustment	↑10%				
Ftr	Procurement license fees (risk-adjusted)		$0	$550,000	$550,000	$605,000
	Three-year total: $1,705,000			**Three-year present value: $1,409,091**		

Professional Service Fees (Maintenance And Support)

Evidence and data. Interviewees shared that their organizations incurred annual professional service fees for optional platform maintenance, support, and ongoing improvements. Most organizations did not use an external systems integrator long-term but retained internal or hybrid teams that partnered with Ivalua or internal stakeholders for platform optimization. A VP and chief supply chain officer said, "We worked closely with the vendor's support team during version upgrades and platform migrations." Interviewees noted that as their organizations scaled use and introduced new modules, the support required, and thus costs, grew proportionally. Annual fees also included system performance tuning, user support escalations, and minor configuration changes after implementation.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- It pays internal costs of $750,000 annually for professional services, including technical support, platform optimization, and post deployment configuration assistance.
- It leverages eight external subject matter experts for four months per year.

Risks. The total professional services and maintenance fees will vary if:

- The scope creeps on professional services from onboarding new business units or expanding module usage, which may require additional support beyond original estimates.
- Internal staff cannot manage the workload, requiring organizations to increase reliance on external professional services and thus headcount.
- Organizations require upgrades and compliance requirements, such as cloud migration or regulatory changes, which may require more intensive professional service involvement.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $2.2 million.

> *"We worked directly with Ivalua during our cloud migration and upgrade cycles. That support was crucial to minimize disruption."*
>
> **Senior director of supply chain, aerospace and defense**

Professional Service Fees (Maintenance And Support)						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
G1	Employees involved in ongoing platform management	Interviews		5	5	5
G2	Fully burdened hourly rate for an employee involved in ongoing platform management	TEI standard		$160	$160	$160
G3	Hours per day	Interviews		8	8	8
G4	Days per year	Interviews		120	120	120
Gt	Professional service fees (maintenance and support)	G1*G2*G3*G4	$0	$768,000	$768,000	$768,000
	Risk adjustment	↑15%				
Gtr	Professional service fees (maintenance and support) (risk-adjusted)		$0	$883,200	$883,200	$883,200
	Three-year total: $2,649,600			**Three-year present value: $2,196,388**		

Training Costs

Evidence and data. Interviewees consistently highlighted the importance of upfront and ongoing training as part of their platform deployment, which required dedicated internal resources. A VP and chief supply chain officer noted they assigned one full-time employee solely responsible for developing and delivering training during the first year of rollout. On the other hand, this VP and chief supply chain officer said, "In the first year, we had around five trainers but reduced that each passing year."

Training content had to be updated as interviewees' organizations added upgrades or modules. The need to refresh documentation and conduct new virtual or in-person sessions was consistent with all four interviewees' organizations. They developed internal knowledge hubs and used learning management systems or virtual universities to store training assets and facilitate on-demand learning.

While some interviewees managed training independently, others noted Ivalua produced and provided guides or resources to accelerate user onboarding. Since their deployments, Ivalua has enhanced its available training by creating a conversational intake interface and embedded guides to walk first time users or those using new enhancements through processes.

Modeling and assumptions. Based on the interviews, Forrester assumes the following about the composite organization:

- The composite designates two internal trainers to manage training across three years.
- The fully burdened hourly rate for a trainer is $60, and they spend 4 hours on preparation for every 1 hour of

employee training. The composite engages trainers throughout the year.

- Training demand is based on new capability and staff refresher rollouts, with an estimated 300 workers trained in Year 1, which tapers in subsequent years as adoption matures.

Risks. The total training costs will vary with:

- The number of trainers required to develop and produce training materials and train users.
- Turnover, which increases retraining costs. New hires may require recurring onboarding support, especially in decentralized organizations.
- Delayed updates impact training clarity when documentation is not aligned with software updates, as training becomes less effective and needs to be redone.
- Whether an organization leverages Ivalua's knowledge hub rather than producing training content.

Results. To account for these risks, Forrester adjusted this cost upward by 10%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of $2.0 million.

Year 1 total training hours: 30

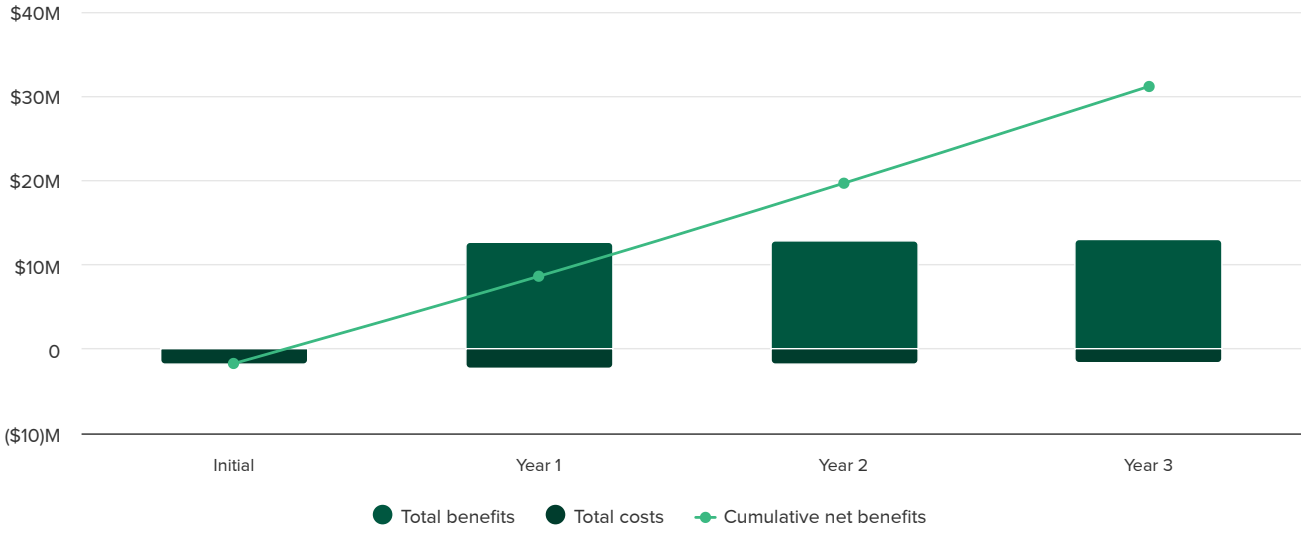
Total training hours taper off in Year 2 (20 hours) and Year 3 (10 hours)

Training Costs						
Ref.	**Metric**	**Source**	**Initial**	**Year 1**	**Year 2**	**Year 3**
H1	Full-time trainers	Interviews	2	2	2	2
H2	Total trainer time (hours per trainer)	4*H7	120	120	80	40
H3	Fully burdened hourly rate for a trainer	TEI standard	$60	$60	$60	$60
H4	**Subtotal**	**H1*H2*H3**	**$14,400**	**$14,400**	**$9,600**	**$4,800**
H5	People trained per year	Composite	300	300	200	100
H6	Fully burdened hourly rate for an FTE	TEI standard	$85	$85	$85	$85
H7	Hours of training per year	Interviews	30	30	20	10
Ht	Training costs	H4+(H5*H6*H7)	$779,400	$779,400	$349,600	$89,800
	Risk adjustment	↑10%				
Htr	Training costs (risk-adjusted)		$857,340	$857,340	$384,560	$98,780
	Three-year total: $2,198,020			**Three-year present value: $2,028,773**		

Financial Summary

Consolidated Three-Year, Risk-Adjusted Metrics

Cash Flow Chart (Risk-Adjusted)



Cash Flow Analysis (Risk-Adjusted)						
	Initial	Year 1	Year 2	Year 3	Total	Present Value
Total costs	($1,702,140)	($2,290,540)	($1,817,760)	($1,586,980)	($7,397,420)	($6,479,052)
Total benefits	$0	$12,640,500	$12,853,000	$13,065,500	$38,559,000	$31,929,981
Net benefits	($1,702,140)	$10,349,960	$11,035,240	$11,478,520	$31,161,580	$25,450,929
ROI						393%
Payback						<6 months

ⓘ Please Note

The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization's investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

The initial investment column contains costs incurred at "time 0" or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.

TEI Framework And Methodology

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in the Spend and Supplier Management Platform.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision. Forrester took a multistep approach to evaluate the impact that the Spend and Supplier Management Platform can have on an organization.

Due Diligence

Interviewed Ivalua stakeholders and Forrester analysts to gather data relative to the Spend and Supplier Management Platform.

Interviews

Interviewed four decision-makers at organizations using the Spend and Supplier Management Platform to obtain data about costs, benefits, and risks.

Composite Organization

Designed a composite organization based on characteristics of the interviewees' organizations.

Financial Model Framework

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees.

Case Study

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see Appendix A for additional information on the TEI methodology.

Glossary

Total Economic Impact Approach

Benefits

Benefits represent the value the solution delivers to the business. The TEI methodology places equal weight on the measure of benefits and costs, allowing for a full examination of the solution's effect on the entire organization.

Costs

Costs comprise all expenses necessary to deliver the proposed value, or benefits, of the solution. The methodology captures implementation and ongoing costs associated with the solution.

Flexibility

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. The ability to capture that benefit has a PV that can be estimated.

Risks

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

Financial Terminology

Present Value (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

Net Present Value (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made unless other projects have higher NPVs.

Return On Investment (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

Discount Rate

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

Payback

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

Appendixes

APPENDIX A

Total Economic Impact

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

APPENDIX B

Endnotes

[1] Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists solution providers in communicating their value proposition to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of business and technology initiatives to both senior management and other key stakeholders.

Disclosures

Readers should be aware of the following:

This study is commissioned by Ivalua and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of an investment in the Spend and Supplier Management Platform.

Ivalua reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

Ivalua provided the customer names for the interviews but did not participate in the interviews.

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