

Market, Current Trends and the Future of Spend Management Software



Overview

Confronting the growing economic uncertainty and the costs of ever-growing administrative burdens, business leaders today must look inside their businesses to accelerate profitability and growth.

Considering COVID-19, business leaders are looking for procurement leaders to help as Chief Value Officers. These once fundamentally transactional business roles are now being challenged to uncover and produce savings opportunities, decrease risk, aid innovation agendas, and become levers for growth.

One way to develop competitive strength is to implement the best spend management software as part of your overall business process management strategy. It can be instrumental in increasing productivity, reducing waste and unwanted expense, and creating value through digital transformation. But to obtain these advantages, you must first know what spend management software is and the many ways in which it makes these advances possible.

Spend management embraces all aspects of managing business spending, from sourcing to wages. It allows leaders to decrease risk with the visibility and authority required to spend smarter every day.

Spend Management Software & Market

Procurement organizations depend on spend management software to keep company spending under check and ensure they are gaining the highest bang for each buck.

The overall purposes of spend management software are simple:

- Procure goods and services for an organization
- Maximize ROI
- Reduce waste and expense
- Create both direct cost savings and utility for the organization

The Spend Management Software market has been reporting large increase rates with significant CAGR for the last few decades. Experts expect it to grow more quickly during the forecast period. It can also change the global economic structure with a significant revenue share.

According to Coherent Market Insights, the global spend management software market will show an extraordinary CAGR of 11.2% over the forecast period (2020 – 2027).

Growing adoption of supplier & risk management solutions will expand the market growth. Companies implement these solutions to identify the third party and proactively handle them by building broad supply chain plans to decrease vulnerability and ensure business continuity.

Additionally, suppliers and risk management solutions empower businesses to regularly upgrade their risk rating score by handling regular checks on their suppliers, choosing the best-in-class supplier based on the risk rating index.

Current Trends

The business is pushing the rising focus on spending management demands to transform digitally, have more spending under management, and handle risk. A few of the top trends for developing spend management capabilities within your company are:

Emerging Business Models

Subscription business models will increase in the coming years in almost every sector. However, the biggest challenge for procurement applications is the accelerated increase in hybrid business models. More and more businesses turn to mixed business models that offer both products and services in both a conventional and a recurring model.

Mitigate Risk

Fuelled by risk management concerns, procurement increases its purchases in supplier relationship control and contract management functionality. As part of the procurement market, this is heading to procurement suite investments.

Collaboration

Procurement includes coordination between various business units. Vendors must acknowledge the benefit of adding collaboration abilities to their software packages. Businesses utilize real-time aspects of their more advanced cloud-based sourcing software solutions to give clients access to data. With this technology-driven collaboration in position, organizations can select the right supply sources and provide better data visibility on both the supplier and buyer sides of the transaction.

Scalability

Businesses embrace sustainability data as part of their sourcing and spend management approach. Problems like quantifying environmental influences, such as GHG discharges, water waste, and carbon footprint, all reflect on the company's reputation.

Robotic Process Automation

Spend management fits well with RPA applications because of its large number of rules-based hand-operated activities. RPA, when implemented precisely, shines in the high-volume transaction environments integral to procurement, accounts payable, cost management, and services procurement. It helps in detecting irregularities and collecting data from disparate systems.

APIs

Spend management communicates with several external items to control company spend. Spend managers end up managing multiple disparate reports, emails, faxes, and data from diverse sources to do their jobs. The answer is a centralized spend management system with modern APIs and developer devices.

Value of Spend Management Software

- Help, share data and blend processes based on the individual nuances of direct and indirect suppliers, service providers, and the best travel and corporate card providers worldwide.
- Expedite with the speed of innovation. Customers are commanding more agile innovation, which can only be achieved when producing improvements across the supply chain. As they become multi-layered, having the capability for a holistic look at spending is critical.
- Access third-party app providers to accelerate productivity and adoption; combine systems to the apps employees are handling today, giving them the choice and freedom.
- Leverage partners' ecosystem to supplement improvements with built-in integration to a company's systems, intended to address compliance or industry specifications.
- Handle complicated regulations, tax reforms, business cultures, and accounting system/ requirements standards to expand confidently.

What Future Beholds!

The digital economy is transforming business resource allocation and business rules significantly. Businesses adapt to innovative technology to deliver more liberty to spend management workflows, buyer/supplier communications, procurement governance methods, and supply-based management. The more automated and united the workflows, the more spend management professional boosts productivity, delivers real-time visibility and can enhance business outcomes.

As spend management matures into an area of focus for several companies to check costs and become flexible, spend management professionals' mindset is moving away from the legacy method and legacy technology to adopt an approach that uses intelligence.

Interpreting both the supplier data and the spend data remains the most challenging phase for spend management teams. Sadly, most spend management application vendors are not centred on interpreting the data difficulties for procurement, supply chain, finance, and accounts payable processes. All of the above implies that to remain competitive in extremely dynamic markets, organizations must make an effort to start the march toward intelligent spend management.

For more information, contact@criticalriver.com



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