



IDC MarketScape

IDC MarketScape: Worldwide SaaS and Cloud-Enabled Treasury and Risk Management Applications 2017-2018 Vendor Assessment

Mickey North Rizza
Kevin Permenter

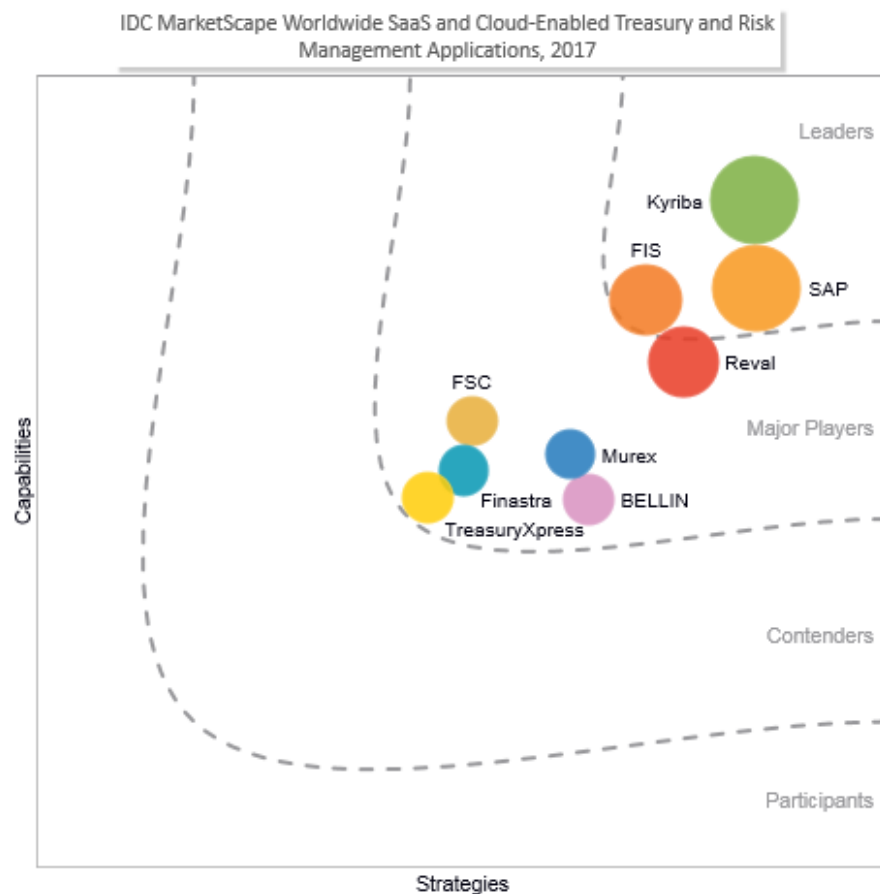
Jordan Jewell
Eric Newmark

THIS IDC MARKETSCAPE EXCERPT FEATURES KYRIBA

IDC MARKETSCAPE FIGURE

FIGURE 1

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



Source: IDC, 2017

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: IDC MarketScape: Worldwide SaaS and Cloud-Enabled Treasury and Risk Management Applications 2017-2018 Vendor Assessment (Doc #US43293517). 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

Digital Transformation Driving Change

Digital transformation (DX) is fundamentally changing software applications, allowing businesses to transform their decision making – which is enhancing their business outcomes significantly as we enter the digital economy. Digital transformation is an enterprisewide, board-level strategic reality for companies wishing to remain relevant or maintain or enhance their leadership position in the digital economy. Digitally transformed businesses have a repeatable set of practices and disciplines used to leverage new business, 3rd Platform technology, and operating models to disrupt businesses, customers, and markets in pursuit of business performance and growth. DX is driving businesses to rethink their technology strategy, and that includes moving beyond their legacy back-office systems. Within treasury and risk management applications, the development of new digital tools for working capital optimization, foreign exchange (FX), account management, and payments has done a great deal to ease the burden on corporate treasury professionals.

SaaS and Cloud-Enabled Software Driving Investment

Cloud-enabled (single tenant and multitenant) treasury software applications, more process automation, and powerful advanced analytics/intelligence are all tools that drive digital transformation within today's treasury and risk management strategies. More and more companies are moving their treasury and risk management information into the cloud. The split between on-premise/other software and public cloud software will change from 82.2% and 17.8%, respectively, in 2016 to 70.7% and 29.3%, respectively, in 2021, as the demand for cloud-based treasury and risk management applications software continues to outpace on-premise/other software.

For treasury professionals, the cloud offers an appealing mix of features, including predictable costs, automatic updates, and security governed by the technology provider. This mix of characteristics is appealing to organizations of all sizes. For small and midsize businesses, the cloud offers them the ability to implement a treasury solution at a comfortable price point. For larger organizations, cloud brings them the opportunity to simplify/standardize their treasury workflows and move away from costly maintenance and cumbersome upgrade cycles. Organizations recognize that they need to adapt to modern, flexible business processes and increase efficiency by replacing processes that were previously handled manually (mainly through spreadsheets) or in custom applications with newer cloud-based commercial applications.

New Digital Tools Driving Treasury Application Innovation

Companies in nearly every industry have recognized the impact that digital transformation has on their industries. The development of new digital tools for working capital optimization, foreign exchange, account management, and payments has done a great deal to ease the burden on corporate treasury professionals. There is an emerging group of digital tools (examples listed in the bullet list that follows) that drive digital transformation within today's treasury and risk management strategies:

- **Increasing adoption of automation.** Many treasury professionals find themselves inundated with more work or new coverage areas while counting on a dwindling head count and smaller budgets. For those treasury professionals working with limited resources, automation becomes incredibly important. Functions such as cash management, cash flow, working capital, payments, and internal transfers are much more automated, allowing users to shift their resources to focus on high-level requirements (forecasting, financial risk management, monitoring/assessing exchange rates, regulations changes, etc.). Technology suppliers providing solutions to review and streamline internal processes can find themselves building a much deeper relationship with the client.
- **Utilizing the power of advanced analytics.** Treasury professionals are turning to advanced analytics and intelligence to assist in the process of remittance advice, cash forecasting, monitoring cyberfraud like account takeovers, and check fraud. These activities were previously done mainly via manual spreadsheet-driven processes.
- **Connecting the blockchain.** While there are blockchain initiatives happening in many industries (i.e., healthcare, retail, media, energy, and government), blockchain will likely have its most disruptive impact in financial services and investment/trade transactions applications. Blockchain has potential to be used to change or even eliminate many treasury-related functions including reconciliations, auditing, settlement activities, and payment transactions. As blockchain builds momentum and regulatory agencies take notice, treasury applications may be updated.
- **Harnessing the power of APIs.** Treasurers interact with many different external entities (i.e., banks, suppliers, and agencies) to manage company treasury assets. Unfortunately, a lot of that interaction happens outside of the treasury application software, coming to treasury staff in the form of reports, emails, faxes, and so forth. These outside interactions heighten the chances of manual errors, lost information, and miscommunication. The answer to these issues is to allow the treasury application software to connect directly with banking systems so that information flows seamlessly between end users and their banking partners. The potential of APIs within treasury is significant.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

Through its clients and contacts, IDC frequently has unique visibility into vendor selection processes within many companies. The vendor inclusion list for this document began with those SaaS and cloud-enabled treasury and risk solutions that IDC was familiar with, having been evaluated for selection within recent enterprise deals. IDC then supplemented with several vendors that it believed also provided qualifying treasury and risk systems. Vendors were then surveyed and further investigated to ensure that their treasury and risk systems qualified as SaaS or cloud enabled and were already serving numerous enterprises. Ultimately, all treasury management applications included in this document met these criteria.

After an initial evaluation of software vendors serving this market, which included each vendor's high-level application capabilities and existing client base, the nine SaaS and cloud-enabled treasury applications software vendors evaluated in this study are:

- BELLIN
- Finastra
- FIS
- Financial Sciences Corporation (FSC)
- Kyriba
- Murex
- Reval
- SAP
- TreasuryXpress

ADVICE FOR TECHNOLOGY BUYERS

Treasury applications are evolving rapidly as vendors are investing research and development dollars into bolstering, augmenting and, in some cases, redesigning their applications. As a result, it is extremely important for end users to understand how vendors and their solutions are positioned currently as well as how those vendors and their solutions may be positioned in the next three to five years.

Innovation is an essential part of the "buy" decision and, in turn, is a guiding factor in our vendor research, as was the 3rd Platform and innovation accelerators' current capabilities and also the strategic and investment direction. It is critical buyers look for a technology partner that can take them well into the future and meet the speed key per business needs.

Several vendors outlined in this research study have more boarder focus for their treasury solutions. Other vendors are focused on serving organizations in vertical industries such as manufacturing, retail, healthcare, wholesale/distribution, public sector, or professional services. The vendors vary widely in size, experience, levels of support, sales model, and focus on the market.

Before making purchasing decisions on SaaS and cloud-enabled treasury and risk software, businesses should consider:

- Levels of experience in successfully implementing treasury solutions: Does the vendor have experience with my type of product, service, and company size?
- Is the vendor knowledgeable about financial regulations and guidelines both locally and globally as they affect my company?
- 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 levels of support are available and are they geographically available for my business?
- What are my internal support resources and capabilities?
- Should I hire a third party to plan and assist with the implementation of the solution?
- Is the vendor financially able to provide needed support? Can it support needed investment in the development of future treasury software requirements?

- Is the vendor committed to this market in the long term?
- Is the ROI achievable? Does the vendor have a track record of meeting the ROI requirements?
- Can the vendor or partners support my foreign operations?
- Can the vendor integrate with my company's other IT systems and those of my partners?
- Is the product available anywhere and anytime?
- Is the product updated frequently enough for my business needs?
- What new innovations is the vendor considering? How and when will it impact my business?
- What is the vendor's strategic investment outlook for the next three to five years? Why? How will that change and enhance my business?
- Will the vendor be a partner, helping my business grow now and in the long term?

This IDC MarketScape vendor assessment assists in answering the aforementioned questions and others. There have been a few high-profile acquisitions that have dramatically reshaped the market landscape for treasury applications. IDC expects continued consolidation and specialization by niche may occur as the market matures.

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 the vendor's strengths and challenges.

Kyriba

After a thorough evaluation of Kyriba's strategy and capabilities, IDC has positioned the company in the Leaders category within this IDC MarketScape.

Kyriba is a provider of cloud treasury and financial management solutions. Kyriba's product portfolio includes solutions for cash and risk management, payments, and supply chain finance. Kyriba has more than 1,600 customers in a variety of vertical markets including retail, telecom, consumer packaged goods, and manufacturing. Kyriba is headquartered in New York, with offices in San Diego, Paris, London, Dubai, and Tokyo.

Strengths

Kyriba is a fully virtualized multitenant SaaS application. Security is a strength for Kyriba, for the platform as well as within the application itself. Kyriba's SOC2 Type II audit details the enterprise-level encryption, single sign-on, and multifactor authentication among other safeguards to protect user access and data.

While many users struggle with extraction of data from treasury systems, Kyriba has invested heavily in reporting, with end users having access to flexible reporting and personalized dashboards, in addition to users being able to configure their own reports.

Kyriba also reports offering extensive bank connectivity with options including multiple SWIFTNet solutions; MT Concentrator multibank reporting; regional protocols such as EBICS, EDITRAN, and Zengin; and hundreds of host-to-host connections using FTP and/or APIs.

Challenges

Kyriba targets midmarket and large enterprise companies. Although the SaaS model offers more price elasticity for less complex organizations, many midmarket CFOs continue to struggle with the business justification for treasury technology.

End users mentioned smoother integration with accounting applications and adding more clearly defined filters as opportunities for improvement. However, the observations were made prior to the latest product releases.

There are also several smaller cloud providers that are attacking the midmarket. These new entrants are offering innovative pricing and services packaging as they attempt to win new business from Kyriba.

A future opportunity for Kyriba is to leverage business intelligence and benchmarking to provide more insight into treasury KPIs. Kyriba's 1,600 global clients offer a trove of big data to analyze and repackage.

Consider Kyriba When

You are an upper midmarket or large enterprise company looking for a suite of treasury or risk management capabilities. You may also be an Oracle NetSuite user looking to take advantage of the Kyriba web service or a CIO seeking a specialized payment platform.

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

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

LEARN MORE

Related Research

- *Market Analysis Perspective: Worldwide Financial Applications, 2017* (IDC #US43031316, September 2017)
- *IDC MarketScape: Worldwide SaaS and Cloud-Enabled Finance and Accounting Applications 2017 Vendor Assessment* (IDC #US42218017, September 2017)
- *Worldwide Treasury and Risk Management Applications Forecast, 2017-2021: Changing Application Expectations Is Driving Demand* (IDC #US42832716, July 2017)
- *Worldwide Treasury and Risk Management Applications Market Shares, 2016: Growing Complexity Is Driving Demand for Better Technology* (IDC #US42832816, July 2017)
- *Worldwide Financial Applications Forecast, 2017-2021: The Shift to Intelligent Applications* (IDC #US42830016, July 2017)
- *Treasury and Risk Management: Cyberattacks on the Rise* (IDC #US42802516, June 2017)

Synopsis

This IDC study provides an assessment of the leading SaaS and cloud-enabled treasury and risk management software solutions and discusses what criteria are most important for companies to consider when selecting the right system for their business.

"The digital transformation is now taking hold within the treasury and risk application market. Treasury applications are starting to become more sophisticated to meet these needs. Going forward, only vendors that are able to offer solutions with extensive treasury functionality along with the new wave of digital tools like cloud, APIs, and intelligence are going to thrive in the treasury and risk applications market," says Kevin M. Permenter, senior research analyst, Enterprise Applications and Digital Commerce.

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. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

Global Headquarters

5 Speen Street
Framingham, MA - 01701
USA
508.872.8200
Twitter: @IDC
idc-community.com
www.idc.com

Copyright and Trademark Notice

This IDC research document was published as part of an IDC continuous intelligence service, providing written research, analyst interactions, telebriefings, and conferences. Visit www.idc.com to learn more about IDC subscription and consulting services. To view a list of IDC offices worldwide, visit www.idc.com/offices. Please contact the IDC Hotline at 800.343.4952, ext. 7988 (or +1.508.988.7988) or sales@idc.com for information on applying the price of this document toward the purchase of an IDC service or for information on additional copies or web rights. IDC and IDC MarketScape are trademarks of International Data Group, Inc.

Copyright 2017 IDC. Reproduction is forbidden unless authorized. All rights reserved.

