

NEWS RELEASE

FOR IMMEDIATE RELEASE:

Outsourcing of Procure-to-Pay processes gain traction as companies expand their focus beyond AP, says Everest Research Institute *Suppliers building capabilities to seize 'entry point' opportunity*

DALLAS, February 6, 2008 — A new study by the [Everest Research Institute](#) revealed a strong link between successful accounts payable (AP) outsourcing and the move towards Procure-to-Pay (P2P) outsourcing. Nearly 50 percent of respondents to a recent executive survey conducted by the Institute indicated interest in exploring how to expand their current AP outsourcing initiatives to include a broader Procure-to-Pay (P2P) scope within the next year to three years.

According to the Institute's study, [Outsourcing the Procure-to-Pay Process](#), buyers are increasingly considering P2P outsourcing to gain additional savings and address key pain points in their financial supply chains, such as high manual intervention costs. The Institute pinpoints P2P as a buyer's stepping-stone toward full-service or Source-to-Pay (S2P) outsourcing, which is a more complex transition.

"In the world of [Procurement Outsourcing](#) (PO), P2P is a growth driver for the market as a whole, bringing new suppliers to the space and introducing global sourcing as a delivery mechanism," said [Katrina Menzigian](#), Vice President, Everest Research Institute. "P2P makes Procurement Outsourcing digestible, offering immediate benefits and opening the door to a new group of buyers that are interested in gaining transactional benefits up front and for whom PO now becomes a viable possibility."

The supplier landscape in the PO market is highly concentrated with the top five suppliers ([Accenture](#), [Ariba](#), [IBM](#), [ICG Commerce](#) and [Xchanging](#)) holding about 85 percent of market share, according to the study. Everest analysts say most suppliers who offer or plan to offer P2P services are making investments in building delivery capability through acquisitions, partnerships and internal investments.

"The demand for P2P capability is driving shifts in the supplier landscape," said [Saurabh Gupta](#), Research Director, Everest Research Institute and co-author of the report. "Currently, 40 percent of work is completed offshore, but we believe there is the potential for this number to reach 70 to 85 percent. In order to achieve this level, buyers need better education, detailed process definition, mentor and training programs of supplier resources and tool and process standardization. Suppliers recognize P2P capabilities will serve as a point of entry into the PO market. They are making significant investments, particularly in developing end-to-end technology solutions. Over the next few years, we see gradual movement towards a platform approach, and individual suppliers will create their own platform brands."

The Institute study results were drawn from an executive-level survey, an analysis of multi-process Procurement Outsourcing contracts signed since 2007, and focused interviews with leading Finance and Accounting (FAO) suppliers.

To read more about the results of the [Outsourcing the Procure-to-Pay \(P2P\) Process](#) study, an extract of the report is available at www.everestresearchinstitute.com. To purchase the report or receive more information about other research services, please e-mail info@everestresearchinstitute.com or call +1-214-451-3110.

About Everest Research Institute

[Everest Research Institute](#) (www.everestresearchinstitute.com) serves as a central source of independent and objective strategic intelligence, analysis, and actionable insight for leading corporations, service providers, and investors in the global outsourcing and offshoring marketplace. The Institute addresses both business process and information technology sourcing topics, providing the global outsourcing and offshoring community with information that empowers highly productive, sustainable sourcing strategies and relationships. The Institute's distinguished [Board of Advisors](#), [senior executives](#) and thought leaders oversee the Institute's research agenda to ensure that it fully supports the business needs of corporations, service providers and investors.

Everest Research Institute members receive access to unparalleled analytical and advisory services, including access to [Everest analysts](#), in-depth [reports](#) on major outsourcing and offshoring topics, [white papers](#) on market-shaping events, and [Webinars](#) designed to provide insight and information about important market trends. The Institute's wealth of knowledge and experience provides members with unique perspectives into today's marketplace and the competitive edge required to take advantage of emerging opportunities.

[Everest Group](#) is a global operational strategy consulting firm with offices in such leading business centers as Dallas; Gurgaon, India; London; Amsterdam; New York; Toronto and Melbourne. An industry leader since 1991 when we created the sourcing consulting category, Everest Group has earned a worldwide reputation for ongoing innovation as we help clients achieve maximum value from their operations, which includes sourcing strategy and implementation. Everest created the [Everest Research Institute](#) (www.everestresearchinstitute.com) as the central source of industry information. Please visit www.everestgrp.com and www.everestresearchinstitute.com for more information.

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