

Finance and Accounting Platforms

Invoice to Cash (I2C)

A research report comparing provider strengths,
challenges and competitive differentiators

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Report Author: Gaurang Pagdi

Navigating the future: The evolution of F&A in a technologically-driven era

In today's rapidly evolving world, where technology is advancing at an unprecedented pace and business models are constantly changing, the finance and accounting (F&A) industry is at the forefront of a transformative movement. This industry plays a crucial role in enhancing the operational efficiency and strategic decision-making capabilities of global businesses, which are currently undergoing significant changes. The driving forces behind this change include the integration of AI and ML and the emerging influence of generative AI (GenAI) technologies. These technologies promise to revolutionize financial operations by providing unparalleled automation, precision and insight.

The introduction of GenAI to the F&A ecosystem is generating a mix of excitement and ambiguity. GenAI has enormous potential

to revolutionize financial operations by generating predictive models, automating complex decision-making processes and creating more personalized financial insights. It marks a new era where financial systems become more adaptive, intelligent and capable of handling a wider range of tasks with minimal human intervention. GenAI's ability to process and analyze vast datasets, understand patterns and generate actionable insights could significantly enhance the capabilities of AI and ML, pushing the boundaries of what is feasible in financial analysis and forecasting.

However, alongside the palpable excitement surrounding GenAI, there is uncertainty regarding the tangible value it brings to the table. While the theoretical applications of GenAI in enhancing efficiency, accuracy and strategic foresight in financial operations are well-acknowledged, the practical realization of these benefits remains unclear. F&A SaaS providers and their clients are navigating a landscape where the full potential of GenAI is yet to be discovered. There is a fear of missing out (FOMO) driving investments and

AI, ML and GenAI are
shaping the **future**
of next-generation
F&A solutions.



Executive Summary

exploration into GenAI, while the understanding of its direct impact on operational effectiveness and client outcomes remains uncertain.

This exploration into GenAI reflects a broader trend within the F&A SaaS sector of embracing next-generation technologies to solve age-old business challenges. As the industry seeks to harness the power of GenAI, AI and ML to automate financial processes, enhance decision-making and deliver deeper insights, the journey is marked by both the promise of innovation and the need for pragmatism. Providers and clients alike are keenly interested in uncovering use cases where GenAI adds value that can be measured and aligned with business objectives.

Integrating AI and ML technologies within F&A processes infuses efficiency and intelligence in financial operations. These technologies streamline workflows and unlock the power of data-driven insights by automating a spectrum of tasks from the mundane to the complex. Predictive analytics in receivables management, AI-driven anomaly detection for accurate financial closes and automated invoice-to-cash cycles are emblematic of

the transformative impact of AI and ML. These advancements elevate operational efficiency and equip businesses with the strategic intelligence to navigate and thrive in competitive markets.

The F&A SaaS industry is witnessing a pivotal evolution. Service providers, traditionally focused on specific areas, such as invoice-to-cash (I2C) and record-to-report (R2R), are expanding their horizons. This strategic extension of service offerings signifies a deliberate shift toward creating more comprehensive, integrated finance solutions catering to a broad spectrum of financial operations. This trend enhances the utility of these platforms for end users and mirrors the industry's adaptation to the complex, interrelated needs of modern enterprises.

The drive toward offering integrated finance solutions is marked by an increasing blend of services across I2C, procure-to-pay (P2P), R2R and financial planning and analysis (FP&A) domains. For instance, providers traditionally focused on I2C processes are extending their capabilities to encompass P2P and R2R functionalities, enabling a seamless financial

operation continuum. Similarly, R2R specialists are broadening their offerings to include elements of FP&A and I2C, creating a unified platform that supports the end-to-end financial lifecycle of businesses. This holistic approach streamlines operations and provides businesses with a more coherent, comprehensive view of their financial health and performance.

Accompanying this broadening of service offerings is the aspect of market maturity and consolidation, which is increasingly evident through strategic M&As. The F&A SaaS landscape is consolidating as providers seek to augment their capabilities, extend their market reach and enrich their solution portfolios through targeted M&A activities. These strategic moves indicate the sector's maturation as companies strive to become one-stop shops for all financial operation needs. By consolidating market presence through M&A, providers are better positioned to offer integrated finance solutions that address businesses' diverse, evolving requirements globally.

The industry is shifting toward a client-centric model and creating value-based outcomes.

This change reflects a significant shift in the way providers approach solution development and service delivery. This growth emphasizes a concerted effort to forge strong, collaborative relationships with clients, ensuring that the solutions offered are not just tools for operational efficiency but pivotal assets that drive tangible business outcomes. At the heart of this client-centric shift is recognizing businesses' unique challenges and opportunities in today's fast-paced and complex financial landscape. Providers are moving away from a one-size-fits-all approach, instead opting for a more tailored strategy. This involves working with clients to understand their financial workflows, challenges and strategic goals. Providers can design and implement precisely calibrated solutions through this deep engagement to meet each business' nuanced demands.

This F&A sector is increasingly characterized by strategically cultivating robust partner ecosystems. This approach is transforming the landscape of financial management solutions, propelling the capabilities of F&A platforms far beyond the confines of traditional ERP systems.



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By forging partnerships with a diverse array of technology providers, fintech startups and industry specialists, F&A SaaS providers offer an enriched suite of functionalities, integrations and services. This expansive strategy significantly elevates the utility, flexibility and appeal of F&A SaaS solutions, marking a pivotal shift toward delivering truly comprehensive financial management tools. Strategic partnerships with consulting firms and BPOs are also crucial in driving business growth and expanding market reach for F&A SaaS providers. By aligning with partners with established market presence and complementary offerings, F&A SaaS companies can tap into new customer segments and geographic markets. These collaborations often lead to co-marketing and co-selling opportunities, allowing providers to leverage their partners' sales channels and customer relationships. As a result, F&A SaaS providers can achieve broader market penetration and faster sales cycles, contributing significantly to their growth and scalability.

Amid a dominant presence in established markets, F&A SaaS providers are increasingly focusing on global expansion, targeting emerging markets across the EU, Asia Pacific (APAC) and Latin America (LATAM). This initiative, driven by the global demand for innovative F&A solutions, showcases the industry's ambition to serve a diverse and expanding client base. The move toward geographic diversification opens new avenues of growth and ensures that providers can offer localized solutions that cater to the unique needs of various regions.

Streamlining implementation processes has emerged as a critical differentiator. Providers are acutely aware of challenges such as long or extended implementation timelines, which can delay the realization of client value and potentially erode trust. In response, there is a concerted effort within the industry to enhance deployment strategies, ensuring clients' swift transition to new systems with minimal disruption. This focus on faster implementation is not only just about improving efficiency but also about enabling clients to rapidly achieve tangible outcomes and ROI. By prioritizing

the acceleration of deployment processes, F&A SaaS providers directly address client concerns, ensuring the long-term success of their solutions. Such improvements in implementation speed and efficiency underscore a commitment to CSAT and operational excellence, distinguishing providers in a competitive market.

In conclusion, the F&A SaaS industry is undergoing a transformative era driven by the integration of AI, ML and GenAI. These advancements promise unprecedented automation, precision and insight, positioning the industry at the forefront of financial operations innovation. Amid this technological evolution, the sector is expanding its service offerings to provide integrated finance solutions that cater to the broad spectrum of financial operations, enhancing the utility of these platforms for end-users. This strategic shift toward more comprehensive solutions is further accelerated by market consolidation through M&As, reflecting the industry's maturity and commitment to addressing the complex needs of modern enterprises. The emphasis on client-centric models and the cultivation

of robust partner ecosystems are pivotal in driving business growth and ensuring the rapid realization of value for clients. As the F&A SaaS industry continues to navigate the balance between innovation and practicality, it remains focused on delivering solutions that meet operational efficiency and contribute significantly to strategic decision-making and business success.

In the transformative era of F&A, AI, ML and potential GenAI applications can reshape financial operations, offering unmatched precision and insight. The pivotal shift toward integrated solutions enhances efficiency, strategic decision-making and operational effectiveness.



Assess platform providers for their **functional capabilities, customer value realization and future readiness** for robust financial management.

Simplified Illustration Source: ISG 2024



Invoice to Cash (I2C)

Record to Report (R2R)

Definition

In the rapidly evolving financial industry landscape, the emergence of finance and accounting (F&A) platforms stands at the forefront of innovation, indicating a transformation in how businesses manage their fiscal operations. As organizations grapple with an increasingly complex financial environment marked by global economic fluctuations, stringent regulatory demands and the push for transparency, such platforms have become indispensable. They facilitate efficiency and provide strategic insight, enabling companies to navigate the uncertainties of financial management with agility and informed foresight.

The latest trends point toward the integration of cutting-edge technologies such as AI, ML, GenAI and blockchain, which have further expanded the capabilities of these platforms. AI-driven predictive analytics, for instance, empower businesses with foresight to optimize cash flow and mitigate risks.

Furthermore, the shift to cloud-based solutions has democratized access to advanced financial tools, allowing even the smallest enterprises to benefit from the capabilities of the F&A platform. This has led to a level playing field where strategic decisions are driven by data rather than intuition, and operational efficiencies are realized through automation and real-time financial reporting.

This ISG Provider Lens™ study focuses on understanding F&A platform providers' strengths, weaknesses and market positioning for any enterprise looking to harness the full potential of financial technology.



Scope of the Report

This ISG Provider Lens™ quadrant report covers the following two quadrants for services/solutions: Invoice to Cash (I2C) and Record to Report (R2R).

This ISG Provider Lens™ study offers Finance and IT decision-makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments (quadrants)
- Focus on the global market

Our study serves as the basis for important decision-making by covering providers' positioning, key relationships and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate their existing vendor relationships and potential engagements.

Provider Classifications

The provider position reflects the suitability of providers for a defined market segment (quadrant). Without further additions, the position always applies to all company sizes classes and industries. In case the service requirements from enterprise customers differ and the spectrum of providers operating in the local market is sufficiently wide, a further differentiation of the providers by performance is made according to the target group for products and services. In doing so, ISG either considers the industry requirements or the number of employees, as well as the corporate structures of customers and positions providers according to their focus area. As a result, ISG differentiates them, if necessary, into two client target groups that are defined as follows:

- **Midmarket:** Companies with 100 to 4,999 employees or revenues between \$20 million and \$999 million with central headquarters in the respective country, usually privately owned.

- **Large Accounts:** Multinational companies with more than 5,000 employees or revenue above \$1 billion, with activities worldwide and globally distributed decision-making structures.

The ISG Provider Lens™ quadrants are created using an evaluation matrix containing four segments (Leader, Product & Market Challenger and Contender), and the providers are positioned accordingly. Each ISG Provider Lens™ quadrant may include a service provider(s) which ISG believes has strong potential to move into the Leader quadrant. This type of provider can be classified as a Rising Star.

- **Number of providers in each quadrant:** ISG rates and positions the most relevant providers according to the scope of the report for each quadrant and limits the maximum of providers per quadrant to 25 (exceptions are possible).





Provider Classifications: Quadrant Key

Product Challengers offer a product and service portfolio that reflect excellent service and technology stacks. These providers and vendors deliver an unmatched broad and deep range of capabilities. They show evidence of investing to enhance their market presence and competitive strengths.

Contenders offer services and products meeting the evaluation criteria that qualifies them to be included in the IPL quadrant. These promising service providers or vendors show evidence of rapidly investing in products/ services and a follow sensible market approach with a goal of becoming a Product or Market Challenger within 12 to 18 months.

Leaders have a comprehensive product and service offering, a strong market presence and established competitive position. The product portfolios and competitive strategies of Leaders are strongly positioned to win business in the markets covered by the study. The Leaders also represent innovative strength and competitive stability.

Market Challengers have a strong presence in the market and offer a significant edge over other vendors and providers based on competitive strength. Often, Market Challengers are the established and well-known vendors in the regions or vertical markets covered in the study.

★ **Rising Stars** have promising portfolios or the market experience to become a Leader, including the required roadmap and adequate focus on key market trends and customer requirements. Rising Stars also have excellent management and understanding of the local market in the studied region. These vendors and service providers give evidence of significant progress toward their goals in the last 12 months. ISG expects Rising Stars to reach the Leader quadrant within the next 12 to 24 months if they continue their delivery of above-average market impact and strength of innovation.

Not in means the service provider or vendor was not included in this quadrant. Among the possible reasons for this designation: ISG could not obtain enough information to position the company; the company does not provide the relevant service or solution as defined for each quadrant of a study; or the company did not meet the eligibility criteria for the study quadrant. Omission from the quadrant does not imply that the service provider or vendor does not offer or plan to offer this service or solution.





Invoice to Cash (I2C)

Who Should Read This Section

This quadrant report is relevant to enterprises evaluating platform providers offering I2C solutions. It highlights global market positioning and how each provider addresses enterprise challenges. Enterprises can use these findings to understand market dynamics, explore new capabilities with incumbent providers and evaluate new platform providers for their sourcing activities.

Technological advancements have brought about a swift change in the F&A market, which is at the forefront of a transformative movement. The integration of AI and ML into financial processes has brought about changes in the operational efficiency and strategic decision-making capabilities of businesses across the globe.

Enterprises are investing in developing integrated platforms that leverage AI and ML technologies. Generative AI (GenAI) has become a buzzword in the F&A market, with the ongoing exploration of its application in building I2C platforms. However, recognizing

the CX value remains a challenge for enterprises, as it remains unclear. Although the theoretical applications of GenAI in enhancing efficiency, accuracy and strategic foresight in financial operations are well-acknowledged, the practical realization of these benefits is still uncertain.

I2C providers are expanding their footprint in the F&A space by offering integrated platforms that help businesses streamline processes and manage finances from end to end. They aim to expand their reach through strategic M&A, which would enhance their solution portfolios and broaden their service offerings. This trend leads to an increasingly mature and dynamic F&A market.



Digital leaders should read this report to gain insights into Agile, data-driven digital solutions to meet strategic goals and prepare for dynamic market trends and demands.



Chief procurement officers seeking insights into the global landscape of I2C platform providers and their capabilities to fulfill market requirements should read this report.



Chief financial officers seeking to enhance efficiency across I2C processes and evaluate them within their F&A portfolio should read this report.



Chief technology officers seeking providers that integrate core technologies into their offerings and showcase advanced capabilities in the growing market should read this report.



Invoice to Cash (I2C)

Definition

In today's competitive and fast-paced business environment, the efficiency of an invoice-to-cash (I2C) process is critical for ensuring liquidity and maintaining healthy cash flow. An I2C platform encompasses the entire accounts receivable spectrum, from invoice issuance to cash application, streamlining customer interactions, expediting payment collection and enhancing working capital management.

These platforms are integral to a business's success, delivering end-to-end solutions that cover a wide array of functionalities:

- Invoice management
- Credit management
- Collections management
- Cash application
- Deductions and dispute management
- Reporting and analytics

Leveraging cutting-edge technology such as AI, ML, GenAI and RPA, I2C platforms are revolutionizing how businesses approach their receivables. They enable enhanced decision-making with predictive analytics, optimize customer payment behaviors and ensure seamless cash flow management.

Advanced I2C platforms offer deep integrations with CRM and ERP systems, providing a unified view of customer accounts and financials. They support a proactive approach to receivables management, transforming the I2C cycle from a back-end accounting function to a strategic component of business success.

Embracing such innovative I2C solutions propels organizations toward financial excellence, enabling them to efficiently manage their receivables and leverage these platforms for strategic advantage in liquidity management and customer relationship enhancement.

Eligibility Criteria

1. Present a solution that spans the **full I2C spectrum**, from invoice issuance to final cash application, ensuring comprehensive receivables
2. **Employ state-of-the-art technologies** such as AI, ML, blockchain, RPA, NLP and OCR to optimize invoice processing, payment matching and customer interactions
3. Adhere to **regulatory compliance and data security** like current financial regulations, GDPR and other data protection standards
4. Offer **seamless integration** with a variety of ERP systems, CRMs and other essential third-party applications, creating a cohesive financial ecosystem
5. **Ongoing product development** to adapt to the evolving market demands, along with reliable customer support for troubleshooting and assistance



Emagia

★
Rising Star

“Emagia’s AI and automation aim for 90 percent autonomous I2C, boosting efficiency, accuracy and decision-making through real-time activity tracking.”

Gaurang Pagdi

Overview

Emagia is headquartered in California, U.S. It operates through 10 offices. Emagia is a platform that offers an autonomous I2C solution, which includes various modules for invoicing, credit management, collections, deductions and dispute resolution, cash application, Electronic Invoice Presentment and Payment (EIPP) portal, reporting and analytics. These modules seamlessly integrate into Gia, GiaDocs, Gia Pay and GiaGPT, making it easy for users to manage their transaction experience. The platform has processed over \$900 billion AR transactions to date. It leverages advanced technologies such as AI, ML, OCR, and other payment technologies to provide comprehensive and efficient support to its users.

Strengths

Improving I2C efficiency with AI and automation: Emagia leverages AI and automation to revolutionize the I2C process, optimizing efficiency, accuracy and decision-making. Through innovative technologies, Emagia automates processes, enhances cash flow forecasting and minimizes credit risk, transforming finance operations into smarter, digital workflows. The company’s goal is to enable 90 percent of all activities on its platform to be autonomous. Clients can track the percentage of autonomous vs. manual activities in real time on its platform. This strategic use significantly improves operational efficiency and financial outcomes, reducing manual effort and accelerating payment collections, positioning Emagia as a Rising Star in financial process automation.

GenAI capabilities: Emagia stands out as one of the very few providers that have integrated GenAI capabilities into its solutions, including GiaGPT, its digital assistant. This integration enables effective financial management by providing leaders with rapid, personalized analysis and insights. GiaGPT helps make decision-making more agile, improves efficiency and makes data readily available for finance leaders to focus on data-driven strategic decisions.

Competitive implementation timelines: Emagia maintains competitive implementation timelines compared to its peers, with vanilla implementations taking around 12 weeks on average. This approach helps clients realize value faster.

Caution

Emagia has traditionally focused on serving enterprises with a revenue greater than \$1 billion. With the industry leaders shifting attention to the small and medium enterprises market, Emagia could consider expanding its reach in this market by targeting relatively SME enterprises for future growth.



The ISG Provider Lens 2024 – Finance and Accounting Platforms research study analyzes the relevant software vendors/service providers in the global market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

Study Sponsor:

Namratha Dharshan

Lead Author:

Gaurang Pagdi

Editor:

Ritu Sharma

Research Analyst:

Swetha Tadepalli

Data Analyst:

Lakshmikavya Bandaru

Quality & Consistency Advisors:

Gautam Saha, Matt Shaheen

Project Manager:

Greeshma A C

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The research and analysis presented in this report includes research from the ISG Provider Lens program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of February 2024, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars (\$US) unless noted.

The study was divided into the following steps:

1. Definition of Finance and Accounting Platforms market
2. Use of questionnaire-based surveys of service providers/ vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities & use cases
4. Leverage ISG's internal databases & advisor knowledge & experience (wherever applicable)
5. Use of Star of Excellence CX-Data
6. Detailed analysis & evaluation of services & service documentation based on the facts & figures received from providers & other sources.
7. Use of the following key evaluation criteria:
 - * Strategy & vision
 - * Tech Innovation
 - * Brand awareness and presence in the market
 - * Sales and partner landscape
 - * Breadth and depth of portfolio of services offered
 - * CX and Recommendation



Author & Editor Biographies

Lead Author



Gaurang Pagdi
Lead Analyst

Gaurang comes with over 20 years of experience in Finance & Accounting domain with an expertise in the Order to Cash vertical, he has worked as a delivery leader with industry leaders in Banking, Telecom & E-Commerce; and as a Digital Transformation Consultant with an F&A Fintech working with clients from across industries. Gaurang's core experience lies in delivery and business transformation, where the focus is beyond digital transformation, like process and people transformation, giving him a holistic view on driving a healthy and future ready business.

As a Lead Analyst at ISG, Gaurang is responsible for authoring the F&A studies, taking into consideration the latest market trends and perceived future of the industry in relation to the competitive strength and offerings of the service providers. His research focuses on the customer experience as it relates to digital transformation, analytics, AI and automation.

Research Analyst



Swetha Tadepalli
Research Analyst

Swetha Tadepalli is a Research Analyst at ISG and is responsible for supporting and co-authoring ISG Provider Lens™ studies on Workday Ecosystem and Oil & Gas studies, respectively. Swetha has experience in the technology research industry. She conducts research delivery for both primary and secondary research capabilities. She is also involved in authoring enterprise context and global summary reports with market trends and insights. Swetha also supports the advisors with her research skills about the latest market developments in the industry.





IPL Product Owner

Jan Erik Aase
Partner and Global Head – ISG Provider Lens™

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor.

Now as a partner and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.



ISG Provider Lens™

The ISG Provider Lens™ Quadrant research series is the only service provider evaluation of its kind to combine empirical, data-driven research and market analysis with the real-world experience and observations of ISG's global advisory team. Enterprises will find a wealth of detailed data and market analysis to help guide their selection of appropriate sourcing partners, while ISG advisors use the reports to validate their own market knowledge and make recommendations to ISG's enterprise clients. The research currently covers providers offering their services across multiple geographies globally.

For more information about ISG Provider Lens™ research, please visit this [webpage](#).

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For more information, visit isg-one.com.





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