

Procurement Services

Assessment of services for strategic sourcing, procurement modernization and contract lifecycle





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Introduction

The accelerated pace of business transformation continues to reshape the scope and value of procurement services. The 2026 ISG study reflects these shifts through an evolved provider and service assessment approach, introducing three comparative quadrants aligned with emerging enterprise needs. Over the next two years, ISG anticipates heightened focus on sustainability, AI-driven decision-making, agile operating models and outcome-based procurement strategies.

Global disruptions, ranging from geopolitical instability to evolving compliance mandates, have intensified the need for resilient, diversified and localized supply chains. Sustainability remains a core priority, now coupled with responsible sourcing and ESG-linked supplier performance. The rise of generative AI (GenAI) and autonomous procurement capabilities is transforming sourcing, contract management and supplier collaboration —enabling predictive insights, real-time risk mitigation and hyperpersonalized procurement experiences. The rise of advanced tech integration in procurement operations has resulted in a huge shift in major KPI,

where the supply chain resilience index, supplier risk index, real-time spend insights index and sustainability matrix will be key for enterprises globally.

The 2026 ISG Procurement Services Provider Lens® study introduces three quadrants: Procurement Operations Modernization Services, Strategic Sourcing and Category Management Services and Supplier Management and Contract Lifecycle Services. These reflect the convergence of BPO and transformation consulting, with continued emphasis on change management, risk mitigation and adaptive operating model transformation to meet evolving enterprise procurement goals.



Key focus area for **Procurement Services 2026** study.

Simplified Illustration Source: ISG 2025

**Procurement Operations
Modernization Services**

**Strategic Sourcing and Category
Management Services**

**Supplier Management and
Contract Lifecycle Services**

The ISG Provider Lens® Procurement Services 2026 study offers the following to business and IT decision makers:

- Transparency on the strengths and weaknesses of relevant providers
- A differentiated positioning of providers by segments on their competitive strengths and portfolio attractiveness
- Focus on the Global market

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



Quadrants Research

Procurement Services Quadrants – 2026 (Coverage for 2026)

Strategy & Consulting	Procurement Operations & Modernization Services	Strategic Sourcing & Category Management Services	Supplier Management & Contract Lifecycle Services	Fundamentals
Strategy Design	Data-Driven Procurement Transformation	Strategic Purchase Segmentation & Core Services	Supplier QA	Innovation, Emerging Technology, Analytics (AI - ML – GenAI - Automation)
Strategy Management				
Assessment, Readiness Check, Business Use Cases	Agile, Sustainable & Ethical Sourcing	API based Integrations with ERP, SCM & SRM and cloud Native Platforms	Supplier Risk Scoring Models/Contract Intelligence Platform/Automated Onboarding	Industry Solutions
Digital Transformation				
TOM Optimization / Roadmap	Digital Transformation, Cloud, AI and GenAI	Predictive Sourcing Platforms/Category Intelligence/ Tail Spend Management	Supplier ESG Reporting	Partnerships (Investment – Co Build – Co Innovate)
Risk Management				
Change Management	Procurement Automation Platforms & Real-Time Spend Visibility Tools	AI & Analytics-enabled services/solutions	Supplier Performance & Compliance Management	Consulting & Advisory (Digital Transformation – C-Level Advisory – Tech upgrade)
Data Governance & Data Security				
Sustainability & Circularity Advisory	Technology Adoption & Data Management Strategy	Sustainability & ESG Requirements	TPRM Reporting	Data Governance & Security (Regulations – Data Privacy)
Ethical and Responsible AI				Customer Experience (NPS – Client Retention – SoE Program)
				Employee Training & Certifications

Note – This is not a comprehensive list of entire capabilities

Strong Momentum

Improved Momentum

New In-Demand Capabilities

Source = ISG 2025



Quadrants Research

Indirect (Focuses on day-to-day operations, better collaboration)	IT	Facility Management / MRO	Fleet Management	Sales & Marketing	Others (Digital Services Procurement, Cybersecurity)	Strategic Sourcing	Spend Management	Category Management	Supplier Management	Compliance Management	Guided buying – AI Recommendation	Dynamic Discounting Solutions	AI Automation Enabled Contract Management	Others (Reverse Logistics, RMA)
Direct (Focuses on quality, performance, competitive advantage)	Raw Material	Energy Trading	Contract Manufacturing	Equipment/ Components/ Parts/ Sub-assemblies, etc.	Others (Green Procurement Categories)									

Consulting – Risk Management, Change Management, Digital Transformation, AI Readiness Assessment, Sustainability Strategy Consulting

Automation, AI, Analytics, GenAI, Data Security, MDM, ADM, ERP, SCM, APIs

Partner Ecosystem

Sustainability & Ethical Sourcing

Redefined Commercial Strategies

Note – This is not a comprehensive list of entire capabilities

Strong Momentum

Improved Momentum

New In-Demand Capabilities

Source = ISG 2025



Procurement Operations Modernization Services

Definition

This quadrant evaluates providers' ability to modernize enterprise procurement centered on AI-driven automation, predictive analytics and ESG integration to create agile, resilient and sustainable procurement ecosystems. Modernized procurement is a strategic enabler for sourcing and category management, ensuring seamless interoperability with SCM, ERP, finance and supplier networks. Providers offer end-to-end BPO and consulting services, emphasizing cloud orchestration, GenAI, risk modeling and ESG-aligned supplier management. Key capabilities include autonomous procure-to-pay, spend intelligence, strategic sourcing, contract management and compliance governance. Providers must address:

- How modernization builds resilient, ethical supply chains and enables real-time risk mitigation and supplier resilience?
- How does AI spend visibility and cost savings?
- How orchestration and ESG drive simplification and sustainability?
- How will providers support talent development and change management for successful tech adoption?

Providers need to offer capabilities for better transparency, traceability and standardization to auditable norms for ESG reporting.

Eligibility Criteria

1. **Core procurement BPO services** from Source to payment (S2P)
2. **Ability to modernize direct and indirect spend** using AI and analytics
3. **SAI-enhanced automation** including autonomous GenAI for decision support
4. **Cloud-native procurement modernization** with orchestration across ERP, SCM and finance
5. **Demonstrated cost savings and value creation** through predictive spend intelligence
6. **Integration of procurement technologies** with advanced AI, ML and workflow automation
7. **Operational intelligence** with real-time risk modeling and ESG metrics across procurement ecosystems
8. **Strong consulting portfolio** with cocreation, design thinking and change management support



Strategic Sourcing and Category Management Services

Definition

This quadrant evaluates the providers' capabilities in strategic sourcing and category management enhanced by AI-powered analytics, ESG metrics and supplier collaboration to drive cost savings, resilience and long-term value. Strategic sourcing aligns supplier selection with business goals, focusing on total cost of ownership, risk and sustainability. Category management optimizes spend and supplier performance across direct and indirect categories with data-driven insights. Providers offer services such as AI category agents, ESG-aligned sourcing, real-time risk modeling and cross-functional integration. Core capabilities include spend analytics, supplier collaboration, category strategy, contract management and sustainability.

As procurement becomes a strategic business enabler, these services are vital for aligning spend with enterprise goals, mitigating risks and driving innovation.

Providers need to offer capabilities for better transparency, traceability and standardization to auditable norms for ESG reporting.

Eligibility Criteria

1. **Vision for end-to-end sourcing and category services** with vertical-specific optimization
2. **Agile and autonomous sourcing** to optimize the supplier base, cost, quality and continuity
3. **Category management** that delivers financial and operational value across direct and indirect spend
4. **Spend management excellence** with adaptability to dynamic business needs
5. **Cross-functional collaboration and stakeholder alignment** with sourcing strategies
6. **AI-driven market intelligence and predictive analytics** on supplier data and cost trends
7. **Advanced analytics** using ML, NLP and GenAI for decision support
8. **Technology implementation** across e-sourcing, SRM and contract management integrated with ERP/SCM
9. **Referenceable case studies** showing savings via AI, analytics and GenAI integration



Supplier Management and Contract Lifecycle Services

Definition

This quadrant assesses providers' expertise in supplier and contract lifecycle services, including performance and relationship management, onboarding/offboarding, contract administration, change order negotiation, centralized CLM, compliance, TPRM and ESG/DEI tracking. These services optimize vendor value, reduce risks and enhance procurement outcomes. Providers now leverage agentic AI, GenAI and predictive analytics for smarter contract insights, risk scoring and autonomous decision-making. Cloud-native CLM/Supplier relationship management (SRM) platforms enable real-time collaboration, mobile access and contextual intelligence, improving efficiency, compliance and supplier engagement. ESG-linked clauses and AI-driven risk modeling are becoming standard, ensuring resilience and sustainability across supplier ecosystems.

Providers need to offer capabilities that enhance transparency, traceability and standardization to auditable norms for ESG reporting.

Eligibility Criteria

1. **End-to-end supplier and contract lifecycle management capabilities**
2. **Robust risk and compliance management**, including supplier performance and regulatory monitoring
3. **Integration with ERP, SCM, finance and CLM/SRM platforms** for seamless data flow
4. **Use of AI, ML and GenAI** to automate processes and uncover insights
5. **Application of emerging technologies**, such as blockchain, to enhance contract transparency and traceability
6. **Delivery of tangible benefits** such as cost savings, improved collaboration and strategic decision-making
7. **Inclusion of ESG-linked contract clauses and supplier diversity tracking**
8. **Real-time supplier risk modeling** and contextual intelligence for proactive management
9. **Referenceable case studies** demonstrating measurable improvements in supplier and contract outcomes



Quadrants by Region

As a part of this ISG Provider Lens® quadrant study, we are introducing the following three quadrants in the Procurement Services 2026:

Quadrant	Global
Procurement Operations Modernization Services	✓
Strategic Sourcing and Category Management Services	✓
Supplier Management and Contract Lifecycle Services	✓



The research phase falls in the period between November and December 2025, during which survey, evaluation, analysis and validation will take place. The results will be presented to the media in April 2026.

Milestones	Beginning	End
Survey Launch	November 10, 2025	
Survey Phase	November 10, 2025	December 19, 2025
Sneak Preview	February 2026	March 2026
Press Release & Publication	April 2026	

Please refer to the [ISG Provider Lens® 2026 research](#) agenda to view and download the list of other studies conducted by ISG Provider Lens®.

Access to Online Portal

You can view/download the questionnaire from [here](#) using the credentials you have already created or refer to instructions provided in the invitation email to generate a new password. We look forward to your participation!

Buyers Guide

ISG Software Research, formerly “Ventana Research,” offers market insights by evaluating technology providers and products through its Buyers Guides. The findings are drawn from the research-based analysis of product and customer experience categories, ranking and rating software providers and products to help facilitate informed decision-making and selection processes for technology.

In the course of the Procurement Services IPL launch, we want to take advantage of the opportunity to draw your attention to related research and insights that ISG Research will publish in 2026. For more information, refer to the [Buyers Guide research schedule](#).

Research Production Disclaimer:

ISG collects data for the purposes of conducting research and creating provider/vendor profiles. The profiles and supporting data are used by ISG advisors to make recommendations and inform their clients of the experience and qualifications of any applicable provider/vendor for outsourcing the work identified by clients. This data is collected as part of the ISG FutureSource™ process and the Candidate Provider Qualification (CPQ) process. ISG may choose to only utilize this collected data pertaining to certain countries or regions for the education and purposes of its advisors and not produce ISG Provider Lens® reports. These decisions will be made based on the level and completeness of the information received directly from providers/vendors and the availability of experienced analysts for those countries or regions. Submitted information may also be used for individual research projects or for briefing notes that will be written by the lead analysts.



ISG Star of Excellence™ — Call for nominations

The Star of Excellence™ is an independent recognition of excellent service delivery based on the Voice of the Customer concept. ISG has designed the Star of Excellence program to collect client feedback about service providers' success in demonstrating the highest standards of client service excellence and customer centricity.

The global survey is all about services that are associated with IPL studies. In consequence, all ISG Analysts are continuously provided with information on the customer experience of all relevant service providers. This information comes on top of existing first-hand advisor feedback that IPL leverages in its practitioner-led consulting approach.

Providers are invited to [nominate](#) their clients to participate. Once the nomination has been submitted, ISG sends out a mail confirmation to both sides. It is self-evident that ISG anonymizes all customer data and does not share it with third parties.

Our vision for the Star of Excellence is to become acknowledged as the leading industry recognition for client service excellence and serve as the benchmark for measuring client sentiments.

To ensure your selected clients complete the feedback for your nominated engagement, please use the "Nominate (for Providers)" section on the Star of Excellence™ [website](#).

We have set up an email where you can direct any questions or provide comments. This email will be checked daily, please allow up to 24 hours for a reply.

Here is the email address:
star@cx.isg-one.com



ISG Star of Excellence



The ISG Provider Lens® 2026 – Procurement Services 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.

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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 service providers and analysis of publicly available market information from multiple sources. The data collected for this report represent information that ISG believes to be current as of November 2025 for providers that actively participated and for providers that did not. ISG recognizes that many mergers and acquisitions may have occurred since then, but this report does not reflect these changes.

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



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ISG Provider Lens® Advisors Involvement Program

ISG Provider Lens® offers market assessments incorporating practitioner insights, reflecting regional focus and independent research. ISG ensures advisor involvement in each study to cover the appropriate market details aligned to the respective service lines/technology trends, service provider presence and enterprise context.

In each region, ISG has expert thought leaders and respected advisors who know the provider portfolios and offerings as well as enterprise requirements and market trends. On average, three consultant advisors participate as part of each study's quality and consistency review process. The consultant advisors ensure each study reflects ISG advisors' experience in the field, which complements the primary and secondary research the analysts conduct. ISG advisors participate in each study as part of the consultant advisors' group and contribute at different levels depending on their availability and expertise.

The consultant advisors:

- Help define and validate quadrants and questionnaires,
- Advise on service provider inclusion, participate in briefing calls,
- Give their perspectives on service provider ratings and review report drafts.

ISG Advisors for this study



Bill
Huber

**Partner, Digital
Platforms and Solutions**



Shahid
Bhatti

Director



Invited Companies

If your company is listed on this page or you feel your company should be listed, please contact ISG to ensure we have the correct contact person(s) to actively participate in this research.

* Rated in previous iteration

4C Associates

Accenture*

Aquanima

ArcBlue

Birlasoft

Bristlecone*

Capgemini*

Capita

CGI

Chain IQ*

Cognizant*

Conduent*

Corbus*

Corcentric*

Datamatics

Deloitte*

Dragon Sourcing*

Dryden Group

DSSI

DXC Technology

Efficio

Epsa

EXL*

EY*

Genpact*

GEP*

Hawtrey Dene

HCLTech*

Hexaware

IBM*

Infosys*

JA Consulting

Koczer*

KPMG

Lifecycle Management Group*

LogicSource*

ModusLink

Nexdigm*

NTT DATA

Premier BPO

Procura Consulting

ProcureAbility*

Proxima Group*

PwC*

Seventh Sense Consulting

TCS*

Tech Mahindra*

Velocity Procurement

Wipro*

WNS Procurement*

XBP Global



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.

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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iSG

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The firm, founded in 2006, is known for its proprietary market data, in-depth knowledge of provider ecosystems, and the expertise of its 1,600 professionals worldwide working together to help clients maximize the value of their technology investments.

For more information, visit isg-one.com.





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