

Spend Matters®

TECHNOLOGY REVIEW

Vroozi

July 2021

Part 1

This two-part Spend Matters PRO Tech Review offers an update on the procure-to-pay (P2P) provider Vrooz, which we last covered in 2018. We'll take a fresh look at Vrooz's capabilities, which have grown from a nimble e-procurement solution into a P2P suite with payment features.

Quick Facts: Creatives

- ✓ **Founded:** 2012
- ✓ **Headquarters:** Walnut Creek, California
- ✓ **Employees:** 80
- ✓ **Customers:** 50, including NBCUniversal, Universal Studios Japan, H-E-B Grocery, Ashley Furniture, Grupo Bimbo, Northrop Grumman, Pitney Bowes, Chemours, CIG Logistics, Fox Rent A Car, City of San Antonio, ICE Group, Forest Lawn
- ✓ **Customer locations:** Predominantly United States. Also in France, Canada, Sweden, Norway, United Kingdom, Mexico, New Zealand, Japan
- ✓ **Active users (buy side):** Approximately 30,000
- ✓ **Active users (supplier side):** 20,000 participating suppliers
- ✓ **Website:** vrooz.com

Background

Vroozi was founded as a software company offering an easy-to-use e-procurement solution acting as a front-end for ERPs that needed better UI/UX. Vroozi is a cloud-based solution that over the years has enhanced its e-procurement capabilities into a P2P suite. The P2P capabilities for invoicing and payments are the main updates we've seen with the Vroozi value proposition over the last few years. But there are others, such as supplier portal and discovery modules that Vroozi originally built for a Fortune 1000 company and now includes as part of its offering. Vroozi also now has an RFQ feature (three bids & a buy) and Vroozi Expenses for reporting and approval.

Vroozi's capabilities and offerings have positioned it as a strong player in the market for small to medium-size enterprises (SME) and Fortune 1000 — mainly in North America, although it has customers in other countries.

Solution Overview

Vroozi provides a complete P2P platform — multi-tenant/cloud-based on Amazon Web Services (AWS) that can be integrated into an existing ERP environment providing full procure-to-pay capabilities.

Vroozi's P2P platform includes the following processes: e-procurement, invoice management/automation, RFQ for tactical bidding, analytics, supplier collaboration, catalog content management, and payment and expenses (T&E).

From a platform perspective, Vroozi offers key capabilities for these modules, such as:

- **Integrations.** Vroozi integrates with ERPs and financial systems through its APIs. Integration examples include SAP, Oracle, Microsoft Dynamics, PeopleSoft, NetSuite, Sage, Quickbooks. Vroozi also integrates with other e-procurement suites and buying solutions, such as SAP, Oracle and IBM Maximo.
- **Marketplace.** An intuitive drag-and-drop interface to create and publish catalogs including content views for your shoppers, dynamic custom fields and attributes support, a workflow approval engine and seamless ERP integrations



Vroozi's capabilities and offerings have positioned it as a strong player in the market for small to medium-size enterprises (SME) and Fortune 1000

- **Personalization.** End-user personalization lets people create favorites, lists and templates. They can also update profile information, such as delivery address (if allowed), language, currency and default cost center. Power users can personalize and configure more of the system, such as reports/dashboards, workflow rules, supplier information in the supplier directory, content views (how data is presented to users, groups, orgs), attributes (company and product), branding, custom fields (and how they can be used, such as searching and filtering), connectors (partner apps via APIs), and messaging (welcome page).
- **Collaboration.** Vroozii has a supplier portal for order collaboration (with dispute and order acknowledgement), ASN and invoice (PO-flip). In-platform communications enable internal and external notes and comments on documents. A communications panel tracks all notes and comments for a document like invoice comments, notes to the supplier, shipping instructions, order confirmation notes, reasons for disputes.

From a services perspective, Vroozii offers the following:

- **Implementations** are done through Vroozii and third parties' partners. Implementations can be done in 4-6 weeks, or 3-6 months for bigger projects.
- **For training,** Vroozii allocates a week of the implementation plan for training, although this can be accomplished typically within two days. During training, Vroozii introduces customers to the Vroozii University for ongoing reference.

Pricing

Vroozii's pricing model consists of a set-up fee for the implementation and a monthly SaaS fee based on users and documents (depending on the modules). For group purchasing organizations (GPOs) that want to adopt Vroozii's technology, Vroozii will propose a gainshare/revenue share that is in line with the ramp-up of their operations.

Partnerships

Here are some of the newest Vroozii partnerships:

- Nvoicepay for payment processing
- Sovos for archiving, tax calculations and digital signature
- Avalara for tax calculations
- Deloitte for compliance intelligence

Roadmap

Vroozi's roadmap includes these solution development plans:

Short term: AI-driven coding assistance, catalog content APIs, country compliance rollouts, embedded AI, and machine learning engine (guided buying, intelligent search, suggest savings, "paper to e-invoice")

Long term: E-invoice rules processing with AI, buyer-supplier collaboration across all documents, early pay discounts, network-enriched supplier directory, supplier network

Strengths and Weaknesses

Strengths

We see Vroozi maintaining its key strengths: catalog management, marketplace, mobility and Vroozi Express. We also see Vroozi getting stronger within the SME market, with its e-procurement offering acting as a front-end for ERPs or even as a full standalone e-procurement solution.

Vroozi also has turned some of its weaknesses into strengths in the P2P space, where the vendor seems to know there is a great business opportunity for upsells and organic growth in the AP automation space, especially in the SME market.

Here is how we see Vroozi's strengths today:

- Vroozi still has great reviews for being user friendly with high end-user adoption (more so on the e-procurement modules).
- Vroozi could act as a semi-deep P2P solution for the SME or as a nimble solution for large enterprises (LE).
- Vroozi implementations are fast and have an extremely competitive price and a flexible pricing model.
- Vroozi is a great e-procurement front-end for indirect procurement (ERP catalog extension), strong with NetSuite (Oracle) and SAP SRM or S4/HANA. Other integrations include Quickbooks Online and MS Dynamics.
- Vroozi is one of the few P2P vendors that can process payment, not just get

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an invoice to the OK-to-pay status. And although payment is done through a partnership (Nvoicepay integration), Vroozi still has a competitive advantage within the P2P space, although not necessarily for AP automation in the SME market, which more commonly offers varying degrees of payments support via integration.

- Vroozi's mobile support for all P2P processes is key within its value proposition. An example is its Vroozi Express module that allows any user to create a requisition request (mobile or desktop) and pass it to power shoppers (ERPs buyers) to complete with accounting information, shipping details or approvals.

Weaknesses

In our previous analysis, we identified the following weaknesses: invoicing, payment capturing and processing, supplier portal and supplier information management, and embedded, real-time analytics.

Now with an SME market vision, we can say that Vroozi has converted some of these weaknesses into strengths (payments). However, some weaknesses remain, based on our analysis. Here is how we see Vroozi's weaknesses today:

- Invoicing needs to get stronger in the validation and automation process to be competitive.
- AP automation capabilities need to add AI & ML. This has become a necessity to improve accuracy and processing speed.
- Analytics are still descriptive, which could give good KPIs but not real intelligence to be proactive and create better value to an organization's business.
- Payments support via the Nvoicepay partnership is OK for SMEs, but within the North American SME market where Vroozi mainly plays, paper checks still have a large presence. A stronger position on card programs could be of great value.

Part 2

This Part 2 includes a full description of Vroozi's solution suite, a company SWOT analysis, tech selection tips and a final summary.

Deep Solution Details – Modules

- **Vroozi Marketplace.** A solution with one search bar lets shoppers compare and search across internal catalogs and external e-commerce sites. Searches can be filtered by categories, preferred vendors, favorites, recent searches or have a keyword search. Shoppers can see users' reviews and ratings of suppliers. They also can build their own shopping list and review a supplier's or product's attributes, such as diverse supplier status and sustainable product/services.

For administrators, key features include:

- Intuitive drag-and-drop interface to create and publish catalogs
- Create content-rich supplier catalogs with image upload
- Multi-currency and tiered pricing support
- Dynamic custom fields and attributes support
- Content views for your shoppers
- Workflow approval engine
- Seamless integration to ERPs

Vroozi Marketplace view

The screenshot displays the Vroozi Marketplace user interface. On the left is a dark blue navigation sidebar with a user profile for 'Kevin' and various menu items like 'Create', 'Non-Catalog Request', 'Bulk Upload Request', 'RFQ Form', 'RFQ', 'Purchase Requests', 'RFQ List', 'Purchase Orders', 'Shipping Notices', 'Receipts', 'Invoices', 'Document Flow', and 'Expenses'. The main content area is divided into several sections:

- Recently Viewed:** A grid of product cards including 'HP ProBook 650 G2 - 15.6" - C...', 'Disposable Face Mask, 3 Layer + Design Protection Breat...', 'Janitorial Services \$1,050.00 USD', and 'Commercial Cleaning Services €1,000.00 EUR'.
- Recent Purchase Requests:** A table listing requests with columns for ID, user name, amount, and status.

ID	User	Amount	Status
1000000873	Kevin Hart	\$6,750.00 USD	Approved
1000000872	Kevin Hart	\$8,100.00 USD	Approved
1000000871	Kevin Hart	\$450.00 USD	Approved
1000000870	Kevin Hart	\$3,061.97 USD	Pending
1000000869	Kevin Hart	€1,970.00 EUR	Decl
- Catalog Suppliers:** A grid of supplier logos including Amazon Business, CURPESINO ELECTRIC INC., JA Services, MCKESSON, US FOODS, WebstaurantStore, acme AI BANY, acme, Advance Auto Parts, Airgas, Alhson, and aD.

- Vrooz Catalog. Catalogs can be internal or a punch-out. Vrooz offers a catalog template to be uploaded to the system, validated and updated when needed. Catalogs offer product attributes and the ability to add custom fields; suppliers can manage their own content. Catalogs can have a direct item update with the corresponding approval. Content is accessed through content views that deliver the catalog content to purchasing organizations, locations, roles, etc. to orchestrate centralized and decentralized purchasing options.

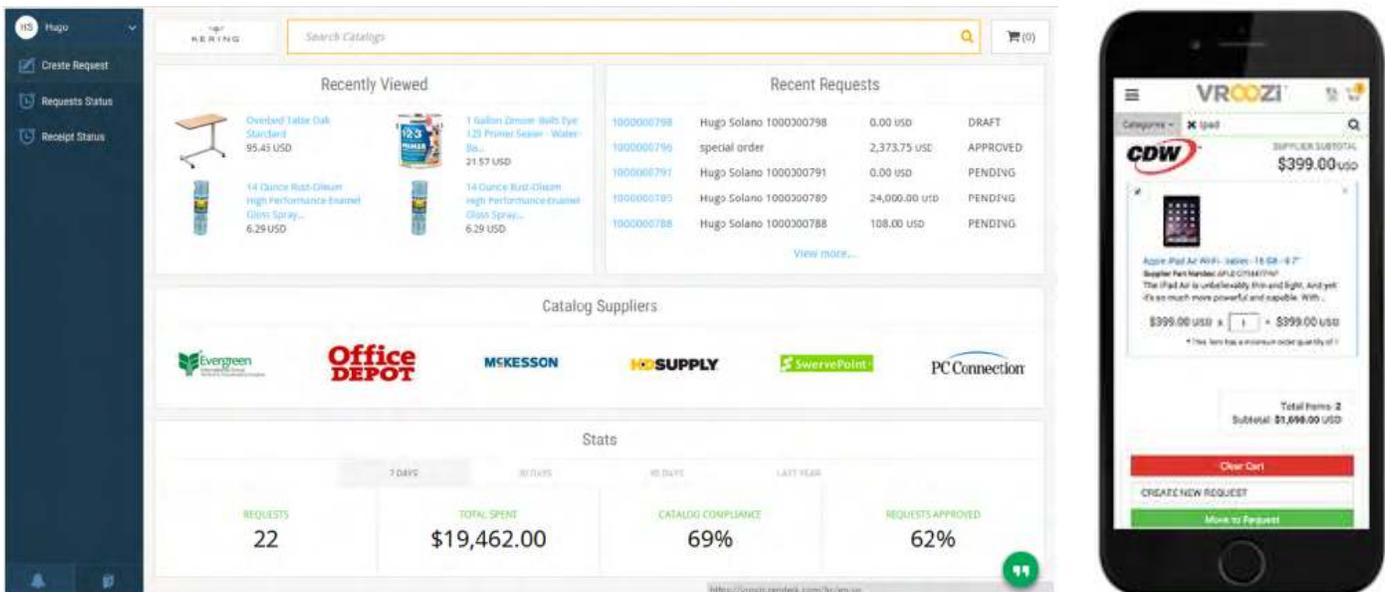
Approvals can be done as a full catalog or item level, and approvers receive an email notification. Approvers can be configured at a supplier, category or content level approval and require having a content-view authority to approve the catalogs.

Vrooz Catalog Content Management view

The screenshot displays the Vrooz Catalog Content Management interface. At the top, there's a search bar and user information (Hi, Darren De... Account Settings Shopper View). Below the navigation bar, there's a section for 'Vrooz > Content Manager' with instructions: 'To change status of a catalog drag & drop the item to desired status column. To make changes to the catalog click the button.' The interface is divided into three columns: 'WORKING', 'APPROVED', and 'LIVE'. Each column contains a list of catalogs with details like 'Version Number', 'Supplier', 'Created On', 'Created By', 'Method', 'Number of Items', 'Status', 'Active', 'Updated On', and 'Updated By'. The 'APPROVED' column is highlighted with a yellow border.

- Vrooz Purchase. This module enables the purchase requisition creation process. Some of its key capabilities are an advanced search engine (favorites, product and supplier attributes), a shopping cart with project- and budget-spend validations, a product comparison feature, ability to create shopping lists, ability to create e-forms with custom fields, ability to integrate punch-out catalogs, ability to configure approval limits, ability to trigger alerts and notifications, among many others.

Vroozii Purchase view



- **Vroozii Express.** This module enables inexperienced users (on-the-go) to buy items and services in a simplified way. Users can build a shopping list from products and services or forms from contracted and approved suppliers. Users send the lists to power shoppers — with no accounting details required. Power shoppers complete the purchase request (accounting, shipping, etc.). Power shoppers can add or edit items in the list. When ready, power shoppers return the cart to the procurement system for approval.
- **Vroozii Supplier Portal, Vroozii Invoicing and Vroozii Payment.** These are a couple of the newest modules in the Vroozii suite. The portal provides suppliers an easy method to collaborate with buying organizations, presenting to suppliers a set of functions related to procurement and finance (AP), such as the ability to review, acknowledge, dispute or comment on a PO; perform a PO flip; upload invoices; check documents and process status, etc. Access to the portal is through a secure user ID that each supplier contact person has.

Vroozii has developed its own OCR to digitize paper invoices. In addition, for all invoices received through an email inbox, Vroozii creates template formats that are trained through business rules to get digitized consistency and improve automation (no AI/ML yet). Validation is performed by a 2- or 3-way match process and business rules configuration. Vroozii has integration through APIs with Sovos and Avalara to comply with different countries' tax regulations.

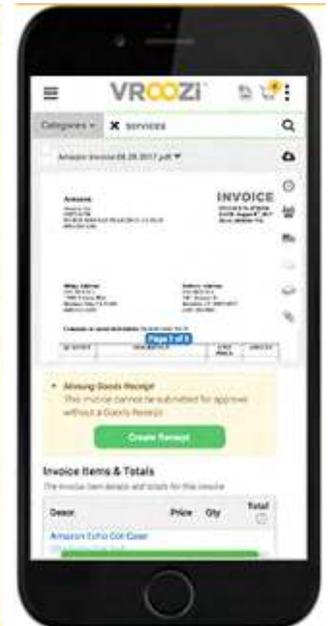
Payment processing is done through Vroozii's partnership with Nvoicepay.

Vroozi Invoice view

Invoice Overview

Company Code * 1002 - Engineering
 Supplier * Enter supplier
 Supplier Account #
 Supplier Invoice # *
 Invoice Date * MM/DD/YYYY
 Payment Terms *
 Payment Due Date * MM/DD/YYYY
 Notes About Invoice
 Shipping Address
 Custom Field(s)
 Withholding Tax
 Invoice Items & Totals
 Currency * USD

QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
1	Apple iPad Pro 256GB	\$1,099.00	\$1,099.00
			SUBTOTAL



Vroozi Supplier Portal view



Order ID	Amount	Date	Notes	Status	Actions
200000298	\$1,149.00	07/02/2019	200000298	Ready	Ready
200000297	\$650.00	07/02/2019	200000297	Ready	Ready
200000271	\$500.00	06/14/2019	200000271	Ready	Ready
200000264	\$498.00	06/10/2019	200000264	Ready	Ready
200000263	\$399.00	06/10/2019	200000263	Ready	Ready
200000262	\$1,149.00	06/10/2019	200000262	Ready	Ready
200000261	\$330.00	06/10/2019	200000261	Ready	Ready
200000260	\$429.00	06/10/2019	OUT OF STOCK: sorry i can't do ...	Disputed	Disputed
200000257	\$1,149.00	06/10/2019	200000257	Ready	Ready

ACTIVITY

- PO #200000298 has been submitted at 4:14 PM on 07/02/2019
- PO #200000297 has been submitted at 12:27 PM on 07/02/2019
- PO #200000297 has been submitted at 7:48 AM on 07/02/2019
- PO #200000287 has been confirmed at 3:05 PM on 05/19/2019

Sales Trends by Month

\$282,932.63

- **Analytics.** Vroozii's analytics provide a visualization of spend and procurement data across multiple data sources, including ERP systems, databases, SaaS platforms and others. Some key features are:
 - ◇ Segment views of reports, dashboards and KPIs by user role (i.e., controller, category buyer, etc.)
 - ◇ Synchronize transactional data and content across systems on a scheduled frequency
 - ◇ Built-in filters and drill-down capabilities
 - ◇ Create custom dashboards and visualization based on business requirements
 - ◇ Export data in different file formats: CSV, TSV, XLSX and PPTX
 - ◇ Supports all mobile devices for access, including smartphones and tablets
- **Other Vroozii modules include:**
 - ◇ Vroozii Discovery. A mobile supplier information management directory to view supplier information in any geography, zone and status (preferred, open). The app's geolocation capabilities allow employees to locate valid suppliers within a certain distance of remote projects or disparate locations.
 - ◇ Vroozii Sourcing (RFQ). The system can perform a nimble 3-bids-and-a-buy process, where suppliers receive the RFQ notification through an email, to enter the supplier portal, then bid and submit the proposal to the buying organization.
 - ◇ Vroozii Expense (T&E). Users create expense reports and send them for approval. This module is a nimble expense report solution, mainly done for SMEs that use spreadsheets and want to improve processing and automation.

Company SWOT Analysis

Strengths:

- Robust marketplace player and flexible catalog configurability
- Nimble e-procurement player with full P2P capabilities, including payment processing through Nvoicepay integration
- Ability to work as an e-procurement front end for indirect procurement (ERPs catalog extension)
- Super-user features to improve requisitioning when casual users adopt Vroozii Express

Weaknesses:

- Lack of e-invoicing AI & ML capabilities to improve automation, accuracy and processing speed
- No advanced analytics intelligence, still descriptive analytics
- Lack of market visibility as a P2P player
- No capabilities for supply chain finance (SCF)

Opportunities:

- Continue to build out a full P2P suite and enhance e-invoicing capabilities
- Work on delivering real-time data for analytics and enhanced guided buying
- Improve p-card/v-card programs and adoption in the US market
- Enhance payment processing with early payment programs and supplier adoption

Threats:

- Vendors investing to build greater invoicing capabilities (AI/ML)
- Newcomers such as Amazon and ODP (BuyerQuest) compete as e-procurement add-ons for ERPs.
- SME market investing more into AP automation (market receiving billions of USD in new investments) thanks to e-procurement (share of wallet)
- Advanced P2P analytics is turning into a key value proposition to gain projects

Use Vroozii when your company needs ...

- ✓ An e-procurement or P2P suite solution with enterprise-grade capabilities on an SME budget
- ✓ An e-procurement solution (with above-average capabilities), with agility to make decisions (non-corporate) to business requirements
- ✓ A nimble P2P suite with payment processing capabilities and supplier payment information management services
- ✓ An e-procurement solution with strong mobile support
- ✓ An e-procurement extension to your ERP (with above-average capabilities), mainly for NetSuite, SAP SRM or S4/HANA
- ✓ User adoption through mobility using power users (ERP buyers) to support users' purchases
- ✓ An e-procurement solution with the ability to consolidate (fast, easy and low price) the purchasing function of a complex ERPs/backoffice's system scenario

Analyst Summary

In the last couple of years, we have seen a growing interest in P2P solutions from the SME market, strengthening those companies' process automation and enabling their users and stakeholders to make better decisions and generate greater value for their organizations.

The solutions we see that have the most traction at the moment (for SME) are the automation of accounts payable. However, there is still a great interest in improving the user experience of both professional and casual buyers, not necessarily transforming the business processes of ERPs. And this is not only for SMEs but also for large and global corporations that have complex system environments and do not intend to put at risk their operation that, for better or worse, works for the objectives of the company. In this case, front-end solutions like Vroozii are becoming a very interesting option.

Vroozii can be an option for any of these scenarios. Even with any functional limitations, it still has great potential to improve the status quo of organizations and to offer greater alternatives for business value.

Vroozii, in our opinion, should focus on SMEs, strengthening its value proposition in relation to the automation of payment processes and payment processing (p-card/v-cards) for the US SME market.

Vroozii should not stop looking at other markets, in which it can also be quite competitive, even against larger P2P suites, but we consider its sweet spot to be the US SMEs.

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 www.vroozii.com

 [linkedin.com/company/vroozii/](https://www.linkedin.com/company/vroozii/)

 connect@vroozii.com