NEAT EVALUATION FOR COGNIZANT:

Procurement Transformation

Market Segments: Overall, Consulting & Transformation Capability, Operations Capability, Sourcing & Category Management Capability

Introduction

This is a custom report for Cognizant presenting the findings of the 2025 NelsonHall NEAT vendor evaluation for *Procurement Transformation* in the *Overall, Consulting & Transformation Capability, Operations Capability,* and *Sourcing & Category Management Capability* market segments. It contains the NEAT graphs of vendor performance, a summary vendor analysis of Cognizant for procurement transformation services, and the latest market analysis summary.

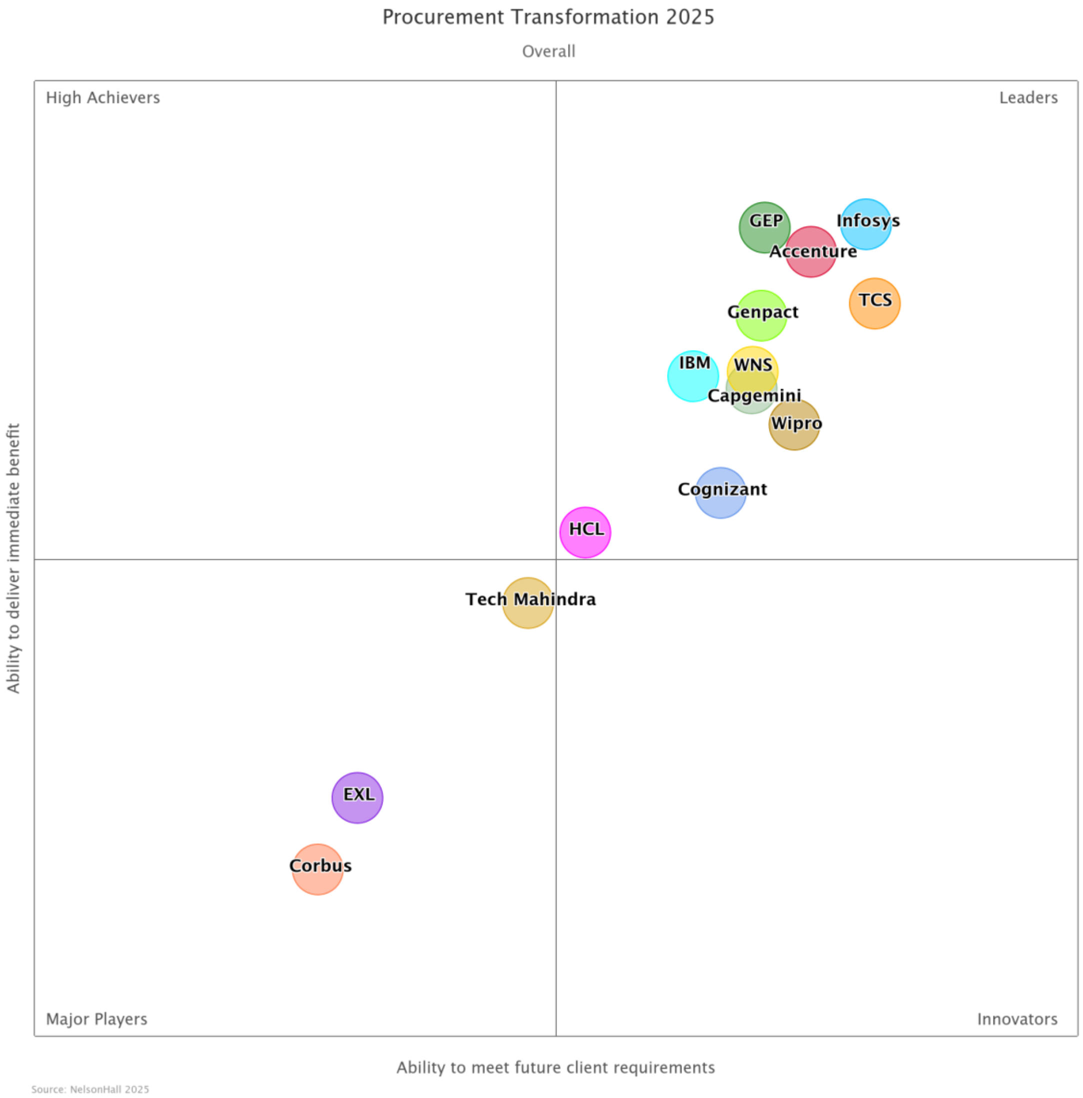
This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering procurement transformation services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capability in consulting & transformation, operations, and sourcing & category management.

Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Accenture, Capgemini, Cognizant, Corbus, EXL, Genpact, GEP, HCL, IBM, Infosys, TCS, Tech Mahindra, Wipro, and WNS Procurement.

Further explanation of the NEAT methodology is included at the end of the report.

NEAT Evaluation: Procurement Transformation (Overall)



NelsonHall has identified Cognizant as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Cognizant's overall ability to meet future client requirements as well as delivering immediate benefits to its procurement clients.

Leaders are vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements.

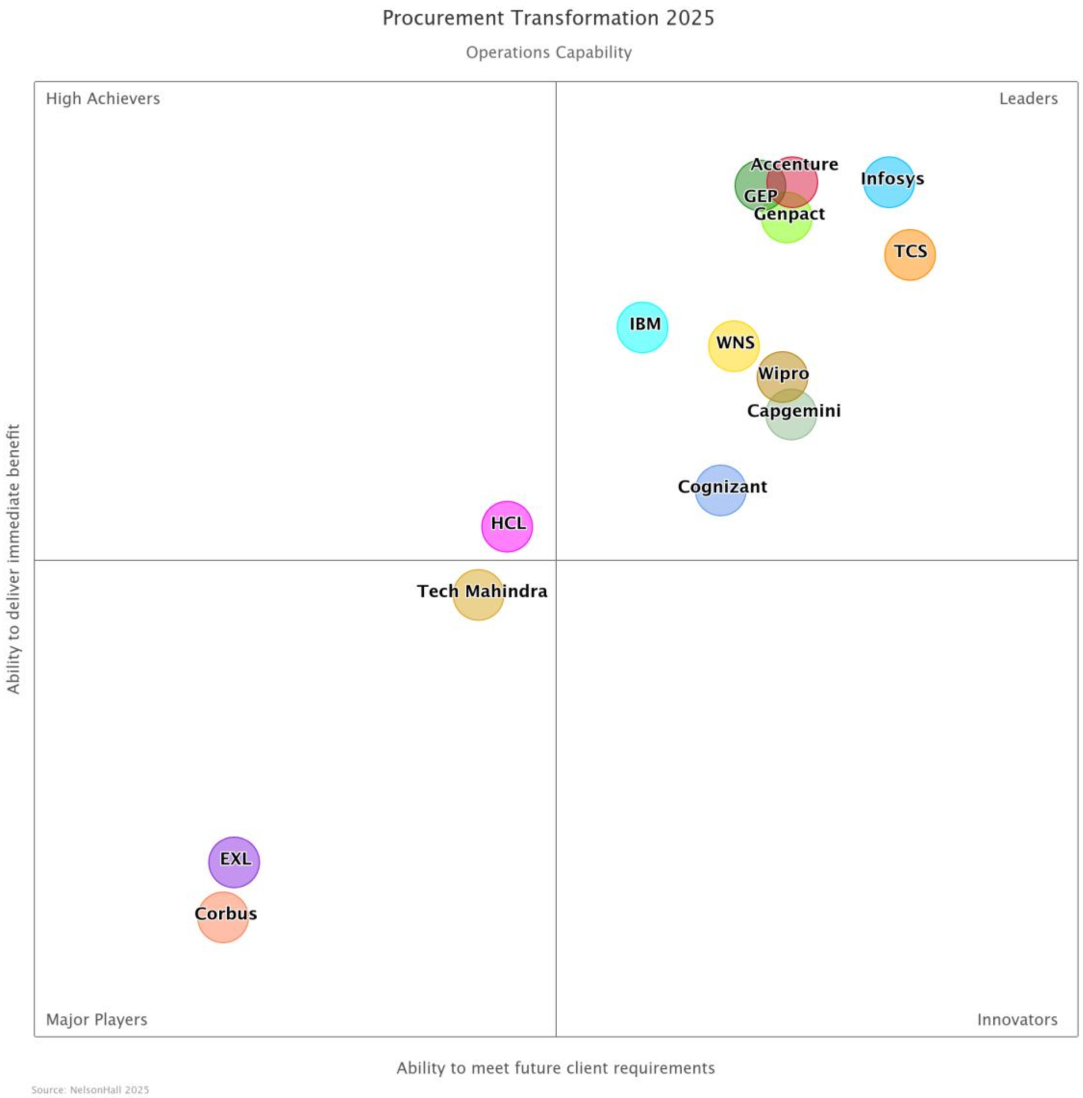
Buy-side organizations can access the *Procurement Transformation* NEAT tool (*Overall*) here.

NEAT Evaluation: Procurement Transformation (Consulting & Transformation Capability)

NelsonHall has identified Cognizant as a Leader in the *Consulting & Transformation Capability* market segment, as shown in the NEAT graph. This market segment reflects Cognizant's ability to meet future client requirements as well as delivering immediate benefits to its procurement clients with specific consulting capability in support of transformation.

Buy-side organizations can access the *Procurement Transformation* NEAT tool (*Consulting & Transformation Capability*) here.

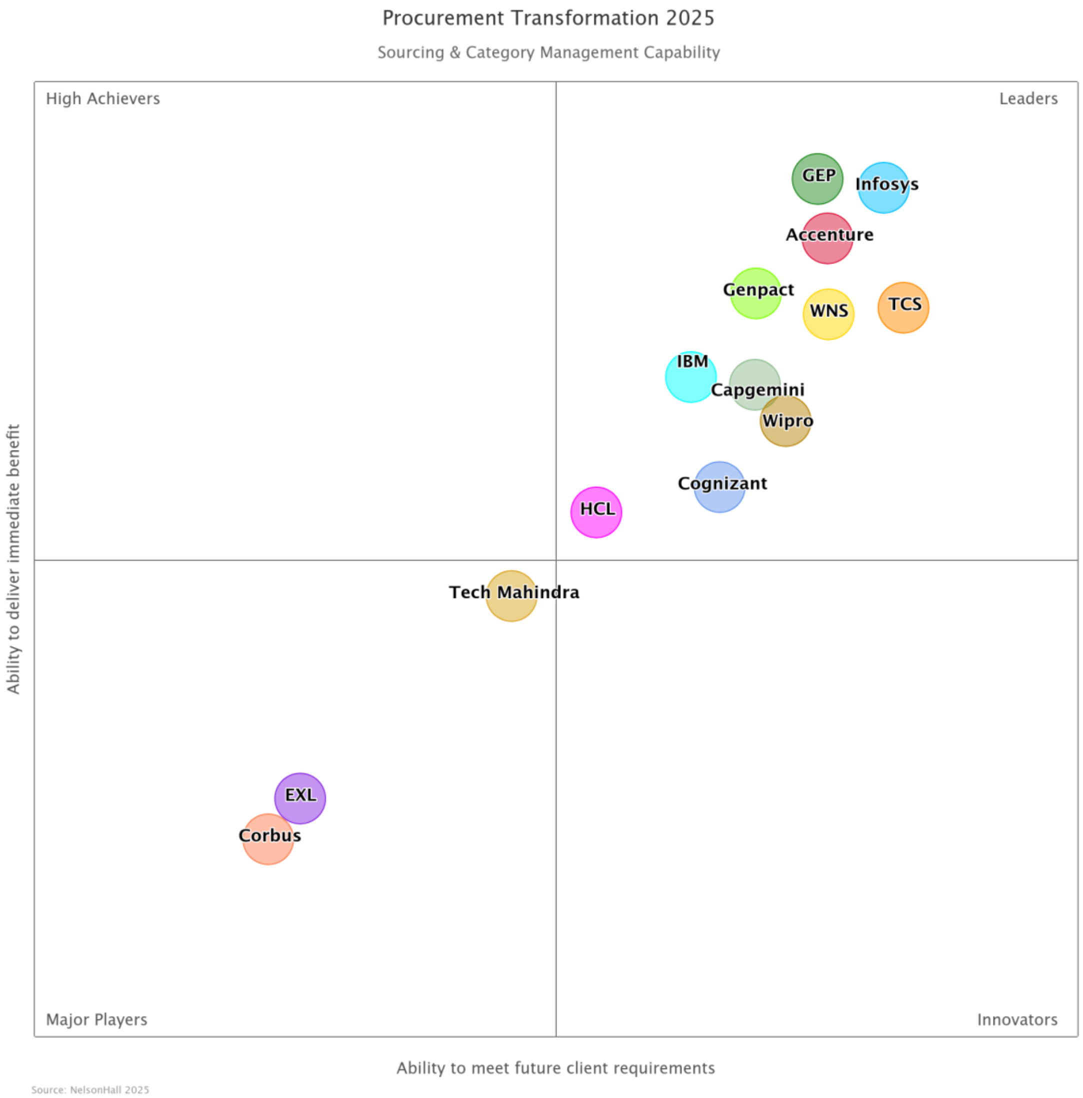
NEAT Evaluation: Procurement Transformation (Operations Capability)



NelsonHall has identified Cognizant as a Leader in the *Operations Capability* market segment, as shown in the NEAT graph. This market segment reflects Cognizant's ability to meet future client requirements as well as delivering immediate benefits to its procurement clients with specific capability in procurement operations.

Buy-side organizations can access the *Procurement Transformation* NEAT tool (*Operations Capability*) here.

NEAT Evaluation: Procurement Transformation (Sourcing & Category Management Capability)



NelsonHall has identified Cognizant as a Leader in the *Sourcing & Category Management Capability* market segment, as shown in the NEAT graph. This market segment reflects Cognizant's ability to meet future client requirements as well as delivering immediate benefits to its procurement clients with specific capability in sourcing and category management.

Buy-side organizations can access the *Procurement Transformation* NEAT tool (*Sourcing & Category Management Capability*) here.

Vendor Analysis Summary for Cognizant

Overview

Cognizant provides sourcing and procurement services as part of its broader Finance & Accounting and digital operations portfolio. Its procurement capability spans the end-to-end source-to-pay lifecycle, covering consulting, transformation, platform enablement, and operations. The offering is supported by delivery from global locations, platform partnerships, proprietary solutions, and AI-enabled automation.

Cognizant supports over ~135 procurement clients and has ~5,000 FTEs delivering procurement and accounts payable services. ~3,000 FTEs are responsible for delivering procurement and associated services. Delivery headcount by region is: offshore ~4,750 (India), nearshore ~200 (Europe, LATAM), and onshore ~75 (U.S.).

The company's procurement operations are integrated with enterprise platform modernization, sustainability solutions, and digital orchestration capabilities to meet client-specific transformation goals. Cognizant's procurement strategy aligns with key client objectives and outcomes such as spend optimization, working capital improvement, ESG compliance, risk mitigation, and user experience enhancement.

It uses AI/GenAI, modular partner-driven architecture, and transformation enablers to support enterprises in their operations and procurement modernization. Cognizant's procurement offering is underpinned by a set of strategic priorities aimed at delivering scalable, AI-enabled, and ESG-aligned procurement functions. The company is advancing the use of process mining across the S2P landscape to uncover automation opportunities and improve governance, supported by ~2,500 citizen developers driving low-code automation across procurement and finance.

Cognizant's partnership ecosystem plays a role in delivering integrated S2P transformation, with joint go to-market initiatives integrated into their solutions. Cognizant also embeds AI and GenAI interventions across key process areas, such as spend analytics, buying channel compliance, contract effectiveness, and fraud detection, to support predictive insights and enhance value realization.

The company's service portfolio includes domain-led offerings across key indirect and direct spend categories, as well as industry-specific sourcing models. Cognizant's delivery model integrates digital talent, citizen developers, automation at scale, and GenAI use cases, enabling clients to transition toward intelligent, touchless procurement operations.

Manufacturing is the largest industry sector for Cognizant procurement services, with a focus on automotive, chemicals, CPG, pharmaceuticals, and high-tech. Other industry segments serviced include financial services, energy & utilities, and retail.

Financials

Cognizant prefers not to disclose procurement-specific revenue numbers; however, NelsonHall estimates that its procurement services revenue for FY25 will be ~$60 million, which does not include revenue from downstream accounts payable services.

Strengths

- Active deployment of GenAI use cases such as buyer assistance, credit risk profiling, touchless AP, and GenAI-enabled supplier helpdesk across procurement processes
- Robust multi-partner approach with partners such as Ariba, Coupa, Basware, Vic.ai, Icertis, Sirion, ServiceNow and own Catalyst BPaaS/SaaS platform, offering modular configurations
- ~200 procurement business controls, integrated benchmarking, and strong compliance frameworks embedded into procurement offerings, which are valuable for clients in regulated sectors.

Challenges

- Building tailored vertical solutions beyond manufacturing, with further focus on pharma, life sciences, energy, and financial services
- Strengthening transformation and advisory offerings in category strategy, cost modeling, and market intelligence
- Expanding ESG reporting and sustainability tools into measurable outcomes in areas such as savings, risk reduction, and supplier performance and focus beyond reporting and compliance.

Strategic Direction

Over the coming years, Cognizant is positioning its procurement services to be a future-ready, intelligent, and integrated ecosystem that aligns with evolving client needs and market challenges. The strategy focuses on five key pillars:

Accelerating AI and GenAI adoption across procurement process

Cognizant is working to embed AI and GenAI across sourcing, procurement, and payables to automate supplier risk profiling, negotiation support, and contract analysis. It is also working to enable intelligent buyer workbenches with prescriptive recommendations, drive touchless accounts payable and automate supplier helpdesks using GenAI-powered email and query resolution, and expand the use of Cognizant Neuro AI to help clients customize and adopt GenAI solutions at scale.

Strengthening hyperautomation capabilities for touchless procurement

The company is investing in next-generation automation to deliver hyperautomation in purchase orders, invoicing, contract lifecycle, and reporting. It has integrated process mining with Celonis and UiPath to uncover inefficiencies and drive continuous improvement, and enhanced citizen developer programs to democratize automation at scale within client organizations.

Expanding platform partnerships and ecosystem

Cognizant continues to invest to build partnerships such as Ariba, Coupa, Basware, Icertis, Sirion, and Vic.ai and extend platform integrations to provide modular, interoperable solutions. There is additional focus on building its BPaaS/SaaS platform to deliver scalable, cloud-enabled procurement solutions, as well as on co-developed industry-specific solutions and analytics accelerators that address domain nuances.

Embedding sustainability and ESG into procurement delivery

Cognizant is advancing its sustainability accelerator and integrating with procurement delivery to support clients in achieving Scope 1, 2, and 3 emissions reporting. Further focus areas include assisting suppliers in meeting ESG goals through improved data visibility and reporting and providing analytics to track ESG-linked savings and supplier compliance.

Strengthening delivery capabilities

Key focus areas include leveraging and expanding innovation hubs (Chennai, London, Kuala Lumpur), upskilling talent in AI, automation, and advanced analytics, and integrating domain expertise with next-gen technology capabilities to augment procurement operations offerings and upstream value delivery.

Outlook

Cognizant's procurement offerings are positioned with a multi-layered strategy that integrates digital platforms, automation, AI, and analytics to address evolving client needs.

Expect to see:

- A roadmap that focuses on investments in expanding intelligent sourcing and category management using partnerships with platforms such as Jaggaer, Coupa, and Globality, supported by AI-driven analytics to optimize sourcing costs and enhance savings tracking. NelsonHall expects Cognizant will further focus on autonomous sourcing and upstream areas
- A focus on extending contract management capabilities while leveraging partners like DocuSign and Sirion, coupled with in-house AI capabilities to improve obligation management and legacy contract analysis
- AI-ready procurement with strategic investments in master data management, while leveraging cloud partnerships and advanced data solutions to strengthen data quality, reduce risk, and improve decision-making
- Increased use of proprietary and third-party tools to deliver predictive and prescriptive insights, enhancing spend control, compliance, and fraud detection
- Investment in operational procurement to expand touchless transactions through the procurement control tower, intelligent automation, and GenAI interventions to improve efficiency across PR-to-PO, invoicing, and payments
- Strengthened advisory and consulting services, as well as co-developed S2P strategies using innovation hubs, blockchain solutions, and sustainability advisory capabilities
- A more focused approach to cross-selling and upselling ESG offerings and capabilities such as net-zero, circular economy, and sustainable procurement solutions.

Procurement Transformation: Market Summary

Overview

Procurement transformation services are evolving rapidly, driven by enterprise priorities around cost efficiency, digital enablement, ESG compliance, and strategic value creation. Organizations are no longer satisfied with transactional support alone, as they seek partners who can enable end-to-end transformation through digitalization, intelligent automation, and advisory-led redesign of their operating models.

A major market shift is underway, transitioning from managed source-to-pay (S2P) services to strategic, platform-centric, and AI-enabled procurement. Vendors are embedding technologies such as RPA, AI, and GenAI across sourcing and P2P to enable autonomous procurement workflows, ranging from automated RFP creation to supplier recommendation engines and guided buying experiences, while leveraging GenAI and autonomous sourcing and procurement.

Client expectations are transforming, too. ~67% of buyers have digitalization initiatives planned, with a focus on procurement intake and orchestration, Ariba platform optimization, and GenAI-based insights. GenAI adoption is gaining traction, with initial use cases in spend analytics, but is expected to scale across contract analytics, category management, and supplier risk profiling.

The future is clearly touchless, insight-led, and ESG-aligned. Vendors are investing in integrated platforms, co-developed digital ecosystems, and proprietary solutions that combine operational efficiency with user-centric design. Procurement is being reimagined as a key driver of business value, supporting growth, resilience, and enhancing the stakeholder experience.

Key industry shifts include increased demand from mid-market and high-growth verticals such as BFSI, retail, and energy, as well as a geographic expansion in the APAC and LATAM regions. Outcome-based pricing models and platform BPaaS are also gaining favour, indicating growing maturity.

To succeed, vendors must overcome persistent challenges: legacy platform integration, data quality issues, and the need for deeper industry and domain expertise. Procurement transformation today demands more than tools: stakeholder alignment, change management, and a vision for future-ready operating models.

Buy-Side Dynamics

As procurement transformation accelerates, the dynamics of the buy side are undergoing a significant evolution. Business decision-makers are increasingly moving beyond cost containment to view procurement as a strategic lever that can deliver value in terms of efficiency, compliance, ESG, user experience, and digital innovation. To realize this potential, buyers must understand how to leverage the vendor ecosystem effectively, adopt flexible engagement models, and drive measurable outcomes at speed.

Shifting priorities and expectations

Procurement leaders today are aligning their priorities with broader organizational goals—focusing on cost optimization, risk resilience, process automation, sustainability, and speed to market. More than 67% of organizations have digital transformation initiatives underway over the next 24 months, with a strong emphasis on platform optimization (e.g., Ariba), orchestration layers, and GenAI-powered insights. Clients seek solutions that go beyond transactional support, driving end-to-end source-to-pay transformation through embedded technologies, intelligent workflows and proprietary tools.

Buyers are also prioritizing category expertise, domain-led consulting, and access to analytics and benchmarking for informed decision-making. Traditional models of outsourcing are giving way to consulting-led engagements and transformation-as-a-service constructs that bring both advisory and execution under one roof.

Innovative commercial models for shared success

With a shift toward outcome orientation, buyers are increasingly exploring commercial models that incentivize delivery partners to drive business results. While FTE-based pricing remains dominant, there is growing adoption of hybrid models, including transaction-based pricing, gain-sharing, and milestone-linked contracts.

These models enable scalability, predictability, and shared accountability. For example, clients can link vendor compensation to metrics like PO cycle time, savings realization, platform adoption, client satisfaction, and cash flow. Vendors are also offering BPaaS offerings, combining platform, people, and process in a single construct that aligns well with buyers seeking faster deployment and ROI.

Buyers must ensure commercial terms include flexibility to adapt to changing priorities, allowing co-innovation (especially for GenAI use cases), and including provisions for continuous improvement.

Driving immediate and long-term outcomes

Organizations that successfully leverage vendor partnerships achieve both immediate benefits and long-term value. Immediate benefits include improved savings realization, reduced cycle time, increased adoption of platforms, improved compliance, and enhanced visibility of spend. Over time, a well-structured procurement transformation journey can unlock deeper savings, elevate stakeholder experience, enhance supplier resilience, and align procurement closely with business strategy.

By approaching vendors not just as service providers but as transformation partners, by focusing on developing an ecosystem, and by adopting fit-for-purpose commercial models, CPOs can unlock procurement’s potential as a strategic business enabler.

Market Size & Growth

NelsonHall estimates the size of the global procurement transformation services market to be ~$2.9bn in 2025 and projects annual growth of ~5% to reach an estimated market size of $3.7 billion by 2030.

This growth is primarily driven by the rising demand for efficiency, cost savings, compliance, spend visibility, and an enhanced user experience. North America is expected to continue leading, holding a 48% share in 2025. However, the most dynamic expansion is anticipated from APAC and LATAM, which are forecast to grow at a CAGR of 11–15%.

Industry verticals such as BFSI, retail, energy, and high-tech are emerging as key growth sectors, moving beyond the traditionally dominant manufacturing sector. The mid-market and first-time outsourcers are significantly contributing to the surge in demand, while mature enterprise clients are showing flat or marginally declining outsourcing expenditures, instead shifting their focus to digital enablement and transformation.

Success Factors

Critical success factors for vendors within the procurement transformation market are:

- Industry experience:
  - Vendors with deep industry knowledge offer more relevant category strategies and insights
  - Industry-specific expertise enables faster time-to-value and better alignment with regulatory and supply chain nuances
  - Clients benefit from selecting vendors who understand their unique procurement challenges and business environment.
- Change management capabilities:
  - Transformation success requires more than technology availability; agility, organizational adoption and leadership sponsorship are key driving factors
  - Vendors focus on structured change management frameworks to drive stakeholder engagement and ensure process adoption are critical to the program's success
  - Clients need strong internal sponsorship and the ability to act on vendor recommendations for meaningful impact.
- Maturity of tools & digital accelerators:
  - Vendors with proven digital tools (e.g., GenAI use cases, spend analytics, orchestration platforms) can accelerate impact
  - The deployment of digital accelerators enables automation, visibility, and an improved user experience
  - Clients should prioritize vendors with modular, scalable, and rapidly deployable, pre-built solutions.
- Collaborative engagement:
  - Clients should focus on treating vendors as strategic partners, not just service providers
  - Collaboration should include co-innovation, pilot programs, and shared learning to solve targeted challenges
  - Outcome-based and flexible commercial models ensure shared accountability and continuous value delivery.
- Governance and communication:
  - Clear governance structures and regular communication with alignment on goals and progress
  - Client and vendors must commit to transparency, agility, and proactive issue resolution.

Outlook

The future of procurement is being redefined by a convergence of digital innovation, strategic business alignment, and growing pressure to deliver measurable outcomes. As organizations seek to navigate complex supply chains, rising costs, regulatory demands, and ESG imperatives, procurement is shifting from a transactional back-office function to a forward-looking business enabler. The outlook is centered on building agile, insights-led, and touchless procurement organizations that can respond swiftly to market dynamics and internal business needs. Procurement leaders are increasingly expected to partner with business units, drive enterprise-wide cost savings, ensure supplier resilience, and deliver on broader goals such as sustainability, diversity, and innovation.

Technologies like AI, GenAI, advanced analytics, and intelligent automation are set to fundamentally reshape procurement operations. The emergence of autonomous procurement capabilities such as AI-powered sourcing co-pilots, virtual category managers, and GenAI-driven contract analytics will enable procurement teams to make faster, smarter, and more strategic decisions. Procurement platforms are evolving into intelligent ecosystems that integrate orchestration layers, supplier marketplaces, and real-time dashboards. The adoption of SaaS-based, modular procurement platforms is expected to continue rising, enabling flexible, scalable, and globally harmonized operations. The future will also see increased use of predictive analytics to anticipate risks, manage demand volatility, and enable scenario planning for supply disruptions or price fluctuations.

To fully realize the promise of future-ready procurement, organizations must focus on aligning strategy, people, processes, and technology. This includes leveraging vendors for redesigning operating models, embedding digital capabilities, investing in procurement talent, and building strong vendor ecosystems. The rise of outcome-linked commercial models and BPaaS offerings will further accelerate procurement transformation by offering faster deployment, accountability for results, and integration of platform and process. ESG and responsible sourcing will also become core to delivering procurement value, not a peripheral objective. Overall, the future of procurement is autonomous, integrated, insights-led, and strategically aligned, and it will play a critical role in driving enterprise competitiveness and resilience.

NEAT Methodology: Procurement Transformation

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet future client requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet future client requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- Leaders: vendors that exhibit both a high capability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet future client requirements
- High Achievers: vendors that exhibit a high capability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet future client requirements
- Innovators: vendors that exhibit a high capability relative to their peers to meet future client requirements but have scope to enhance their ability to deliver immediate benefit
- Major Players: other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.

Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offerings	Procurement operating model and redesign Procurement Transformation capability Direct sourcing and category management capability In-direct sourcing and category management capability Tail Spend Management Contract management and administration Spot buy services PR to PO processing Procurement compliance Procurement operations transformation Sustainability Operations offerings Sustainability Transformation offerings Circular procurement Autonomous sourcing offerings Risk management offerings
Delivery Capability	Scale of sourcing and category management delivery Application & availability of sourcing and category management platforms Scale of tail spend management delivery Application & availability of tail spend management platforms Scale of contract management delivery Application & availability of CLM tools and technology Scale of procurement operations delivery Application & availability of procurement operations tools and technology Scale of Sustainability services within procurement Application & availability of sustainability tools and technology Availability of proprietary tools Delivery capability in support of the Americas Delivery capability in support of EMEA Delivery capability in support of APAC
Client Presence	Scale of client base: BPS/Transformation Scale of client base: sourcing and category management Scale of client base: tail spend management Scale of client base: procurement contracting Scale of client base: procurement operations Scale of client base: Sustainability services Number of clients in the Americas Number of clients in EMEA

Continued...

	Number of clients in APAC Number of global/multi-country clients
Benefits Achieved	Level of cost savings Delivered S2P process cost savings or transformation Improved standardization, consistency of sourcing and negotiation Improved sourcing turnaround time Improved spend under management Improved contract visibility Improved procurement digitalization Reduced tail spend Improved turnaround times or processing time Improved process compliance Improving PO and invoice processing accuracy Sustainability roadmap and transformation

Exhibit 2

'Ability to meet client future requirements': Assessment criteria

Assessment Category	Assessment Criteria
Partners and Technological Advancements	Existing partners and technology alliances Ability to evolve services Perceived commitment to transformation
Market Momentum	Client wins in the past 18 months
Investments	Investment in analytics tools and capabilities Investment in category management capability Investment in sourcing capability Investment in Sourcing tools and platforms Investment in transformation capability Investment in self-service delivery Investment in tail spend management tools and platforms Investment in contract life cycle management capability Investment in procurement operations tools and capabilities Investment in RPAs and process automations Investment in process mining Investment in sustainability tools and capabilities Investment in autonomous sourcing capability
Ability to Deliver Innovation	Mechanisms in place to deliver client innovation Extent to which client perceives outcome and transformation has been delivered Suitability of vendor to meet future needs of client Use of next-gen technology and reimagine process

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.

research.nelson-hall.com

Sales Inquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:

Darrin Grove at darrin.grove@nelson-hall.com