SpendMatters®

Vendor Analysis
Zip

Intake and orchestration, S2P solution overview, roadmap, competitors, user considerations, analyst summary

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spendmatters.com

Quick Facts

Founded: 2020

Headquarters: San Francisco, CA

Offices: Dallas, TX; New York, NY; Toronto, Ontario, Canada; London, England

Regions served: Europe, North America, Middle East & North Africa (MENA), Australia/Oceania, East/Southeast Asia

Ownership and funding: Private; Series D, $190 million at $2.2 billion valuation; total funding to date is $371 million

Employees: 300+

Customers: 500+, Prudential, Dollar Tree, Northwestern Mutual, Snowflake, Shopify, OpenAI, Coinbase, ADT, Invesco, Discover, Lyft, Reddit, Sephora, UCI Health, Instacart, Virgin Voyages, The Obama Foundation

Industries covered: Tech/High Tech; Banking, Financial Services and Insurance; BioTech/Pharma; Retail and Consumer Services

Active users: 1.4 million

Website: ziphq.com

This analysis contains excerpts from a piece previously written by Bertrand Maltaverne.

This Spend Matters Vendor Analysis provides an overview of Zip and its solution for intake, orchestration and source to pay (S2P).

As procurement becomes increasingly strategic and digital, intake and orchestration processes require intricate coordination across various departments, tools and data sources. Whether it is juggling multiple supplier requests, dealing with complex regulatory requirements or navigating interdepartmental communication gaps, procurement teams face a host of difficulties in aligning their processes to meet business needs effectively.

Zip's initial value proposition was to provide requesters and stakeholders with an "intelligent, intuitive front-end to their ERP or P2P." Zip began as the place to initiate a purchase or vendor

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request through a flexible, configurable intake that requires no code to change and to support communication and approvals to ensure that the need is clearly understood and all sign-offs are obtained.

Since its foundation in 2020, Zip has also been increasingly adding native source-to-pay capabilities that follow the same configurable framework, an important aspect of its roadmap to expand functionality and address evolving customer needs

This Vendor Analysis explores Zip's platform, application and supporting services, provides a competitive market analysis and concludes with key analyst takeaways.

Here's why Zip matters:

» **To the market —** Zip represents the trend in procurement of platforms moving towards a no-code/low-code platform that prioritizes user friendliness and configurability, positioning itself as a leader and innovator in redefining procurement technology.

» **To potential buyers —** Zip is a top player in the intake and orchestration space, one that can help streamline requests, approvals and integrations. Recently, it has also stepped into the broader S2P technology space and may be the appropriate platform to replace a legacy S2P suite.

Zip represents the trend in procurement of platforms moving towards a no-code/low-code platform that prioritizes user friendliness and configurability, positioning itself as a leader and innovator in redefining procurement technology.

Company background

Zip was founded by Lu Cheng and Rujul Zaparde in 2020, who met at Airbnb where Cheng was Head of Engineering for Airbnb Experiences and Zaparde was a Product Manager. While at Airbnb, both had to interact with multiple cross-functional colleagues, including the ones from procurement, whenever they had to buy something. And, as the purchase-request process was neither lean nor smooth, they started to think of ways to make it easy and intuitive. This led to the creation of Zip.

Zip's customers represent a sizable and global user base. What these customers have in common is the need to tackle the challenge of decentralization of the initialization of purchases (cross-functional collaboration between employees and solutions) while enforcing compliance (modern business requires more lateral approvals than ever before from legal, IT, data security and other teams).

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Specifically, Zip was designed to solve pain points related to:

- A lack of cross-functional collaboration and decentralized supplier management.
- A lack of end user adoption of S2P and procure-to-pay (P2P) platforms.
- Poor data quality and accessibility.
- Centralized spend and supplier insights.

Solution overview

Here's how Zip describes itself:

"Zip's is the world's leading procurement orchestration platform, empowering businesses to accelerate the procurement process, mitigate risk, and drive growth by offering a single front door to unify the teams, tasks, and tools involved in working with suppliers. With Zip, businesses can maximize employee adoption of purchasing policies and increase spend visibility and control."

While Zip was initially designed to cover the intake-to-procure process, nowadays it covers the full S2P lifecycle via native capabilities and integrations. In addition to intake and orchestration, it features capabilities for sourcing and supplier discovery, P2P, contract management and supplier management.

It mostly processes indirect spend, especially for complex services like IT, contractor spend and professional services, but it can be used to cover direct spend where appropriate. For example, Zip has worked with medical providers to help them purchase medical equipment.

Zip's sweetspot customer is a Global 2000 organization with a high degree of complexity and distributed processes, often with a fragmented tech stack or immature processes that need to be modernized.

Platform and services overview

Zip is a SaaS platform hosted on AWS.

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Because Zip operates as an orchestration layer on top of other solutions, it has extensive integration experience.

Data is uploaded into the platform through a combination of integrations to source systems (e.g., ERP, S2P, P2P) and file uploads during implementation. The data taxonomy in Zip can have five subcategories, meaning the taxonomy can be anywhere from one to six levels deep. Data can be exported from the platform at will, and users can customize what data objects get exported each time.

Zip offers add-on applications to enhance its core functionalities. These include sourcing modules for vendor evaluation and selection, a global payments application that facilitates payment processing across multiple geographies, V-Cards designed for vendor-specific transactions and an integration platform that connects the system to external enterprise applications via APIs, ensuring seamless workflow and data alignment.

The Procurement Orchestration Platform serves as the backbone of Zip's solution. It includes a no-code workflow builder for process customization, an approvals engine for managing approval hierarchies and vendor onboarding tools for collecting and validating supplier information, including compliance data and payment details. The platform incorporates AI-powered features for operational analysis and insight generation. Additionally, it integrates natively with external systems and offers APIs to support connectivity and scalability.

Because Zip operates as an orchestration layer on top of other solutions, it has extensive integration experience. Examples include SAP Ariba, Coupa, GEP and Zycus for S2P; Icertis, Agiloft, Docusign, Evisort and Conga for CLM; Aravo, ProcessUnity and Archer for TPRM; Per Angusta/SpendHQ for performance management; and Fairmarkit, Globality and Scout/Workday Strategic Sourcing for sourcing. It offers over 50 integrations out of the box.

It also integrates with non-procurement systems, including ERP, ITSM, GRC, project management (e.g., Asana), BI (e.g., Snowflake), FP&A and TPRM platforms.

New integrations and data sharing can be configured via:

- 50+ out-of-the-box connectors to many solutions across the procurement landscape, including SSO, CLM, GRC/TPRM, Ticketing, ERP and P2P solutions.

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- APIs to allow Zip customers and partners to develop custom integrations with Zip's own low code, natively built integration platforms to customers and partners to configure their custom integrations.
- Custom CSV exports.
- Securely send data from Zip's data warehouse directly to the customer's data warehouse.

Zip supports an integrations activity log where permissioned users can view their integrations, the total jobs completed and which individual jobs passed or failed.

Zip provides a feature called ZIP Premier that focuses specifically on compliance. It allows users to have more granular control over data permissions, data privacy and audit trails than the core intake feature. It is specifically designed to help clients be audit ready.

For collaboration, there is a supplier portal for buyer-supplier interaction. Internal collaboration happens through tool integrations (Slack, Teams), as well as email integrations and threaded commenting on the request details page.

Zip also offers an AI assistant which answers questions and guides requestors through the procurement process.

Zip's UI currently supports English, German and Japanese with further localizations on the immediate roadmap for 2025. Zip can process payments in 40+ currencies across 140+ countries.

Implementation is handled by a dedicated internal team of 60+ with experience at major implementers, incumbent vendors and as procurement professionals who run implementations internally. The typical implementation takes 9–12 weeks, but it can be shorter or longer depending on scope of process redesigns and integration complexity.

Zip is priced as an enterprise-wide license based on the number of employees at the business; alternative models are also available based on use case deployments.

Modules and application overview

Companies use Zip for the following S2P and adjacent processes:

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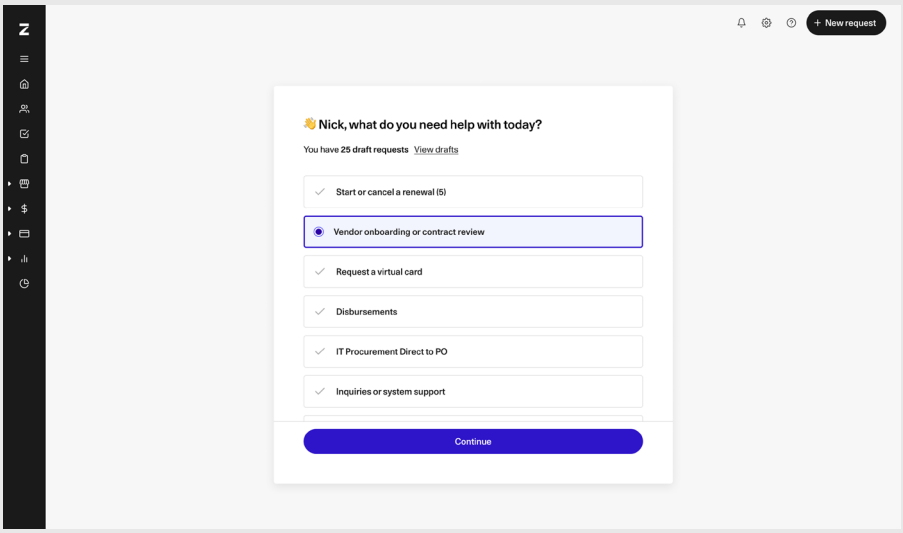
- Intake and orchestration
- Analytics
- Contract management
- Procure to pay (intake to pay)
- Accounts payable (invoice processing)
- B2B payments
- Sourcing
- Supplier onboarding, management and discovery

Intake and orchestration

Zip's intake and orchestration solution was developed to support user-friendly requests and overall process automation. It is especially suited to organizations that are large enterprises and need assistance orchestrating across many disparate systems and departments, but small and mid-sized businesses looking for a self-service procurement solution with tailored capabilities out of the box can also successfully use it.

The interface itself begins with the intake screen, which greets users with a personalized message and a list of request types (pictured below). This is designed to be simple and intuitive, so no training is required for the end user. They simply select the category that matches their desired request the most, and the application will guide them through filling out a request form.



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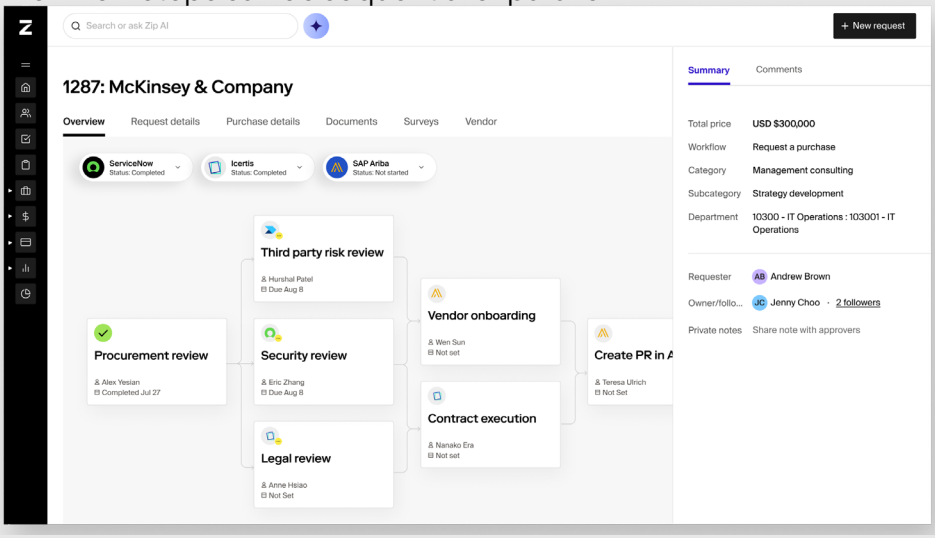
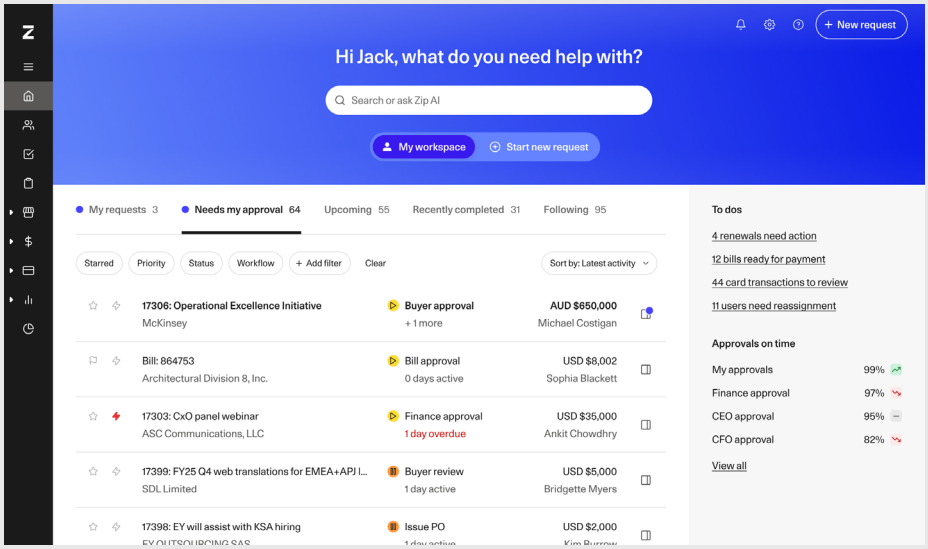
The requests are interdepartmental, meaning there is no difference between the form a finance user gets versus an HR user; they all have the same intake process. The difference comes after the intake form is filled out and the request enters a workflow.

Each type of request has its own workflow, as, for example, the path to receive an NDA versus onboard a vendor is very different. Workflow steps can be sequential or parallel.



Users with the appropriate permissions have full control over workflows. Zip provides its clients with an Orchestration Library, which has more than 100 prebuilt workflows made by the in-house advisory team. Here, workflows are grouped by spend category, process type or persona (e.g., large enterprise, industry/vertical). There is also a preview of each workflow that tells the end use who the workflow is ideal for.



The preview page for a workflow shows all the default steps, but the user can edit them to match their specific needs. The end user

can also hover over individual workflow steps to see details, such as tasks that would be triggered by that workflow step.

Employees can be added to the workflow either manually or via an ingested employee list from an HR software. From there, permission groups can be created and edited down to the data object level. Permissions can be set to either edit the workflow step or view the workflow step for individual employees.

Each workflow provides an estimated timeline, i.e., how many days it will take to complete the workflow. This estimated timeline is based on Zip's overall experience with the workflow, not the individual customer's steps.

Users can comment on individual workflow steps and add co-workers as followers as needed for general awareness.

Workflow queues are also visible, so users can easily see the total number of approvals that need to be completed by each individual or department in one screen.

Analytics

Zip's analytics feature provides a combination of performance/productivity metrics and savings tracking.

As mentioned in the platform overview, data in Zip can also be exported for analysis elsewhere. Users can select from the data objects available to craft a custom export CSV file. Exports can also be automated via API.

The analytics module is designed as a series of widgets broken down by department.

For example, the image below shows the productivity cycle of a purchase request. Here, users can see the average time it takes to complete this workflow and the average time each department is taking to complete their individual workflow tasks.

Other tracked metrics include upcoming contract renewals, savings goal tracking and percent of spend with primary suppliers. For savings tracking, Zip currently only supports indirect spend, not direct, e.g., purchase price variance.

Contract management

Zip offers contract management features via its AI. For example, users can upload contract documents to Zip, and its AI will extract

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key metadata, such as parties, dates and contract value. It supports contract types including MSAs, SOWs, order forms and DPAs.

Zip can also assess risks in contracts. Upon upload, the AI compares contract metadata against organizational playbooks and can alert users to potential risks. For instance, if a contract lacks the organization's required language that covers how the third-party cannot terminate for convenience, the system could call this out in its risk summary. Aspects of the contract that are in compliance with the playbook are also called out by the system so that the user can click into the exact location of the language in the contract.

As with other S2P modules, Zip also supports more specific CLM capabilities through its workflows and integrations with suites as well as Icertis, Docusign, Conga and Agiloft. For instance, Zip can initiate the contract authoring process via its intake forms/workflows, and Zip can generate documents based on the chosen conditions. It often acts as the front-end to broader CLM processes that run in the above and other CLM solutions.

Zip commonly supports Docusign and Adobe Sign for e-signature. Through Zip's integration platform, either can be natively embedded in workflows and used to execute e-signatures on any document (not just contracts) as specified in the workflows.

Finally, Zip also offers a dedicated contract renewals product that allows customers to leverage workflows to determine whether to renew an existing contract. These workflows can be customized so that different users can answer questions related to vendor performance. Scheduled reviews are also supported. The performance data tied to renewals can ultimately be used by the organization's decision-makers in this centralized area.

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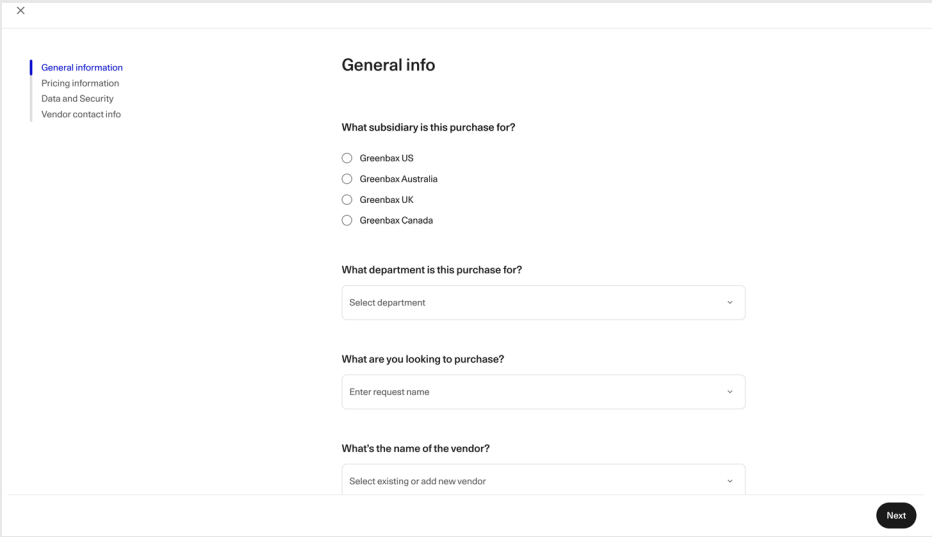
Procure to pay (intake to pay)

Zip's intake-to-pay platform delivers an integrated solution that connects the full lifecycle of procurement and AP processes. The platform encompasses every stage from purchase requests and purchase orders (POs) to invoice processing and payment execution, ensuring seamless coordination across procurement and payment functions. Zip addresses these processes through two main use cases: intake to procure and procure to pay.

Intake to procure

The intake functionality automates and organizes the submission of purchase requests, streamlining workflows with dynamic, logic-driven questionnaires tailored to purchase types, such as software, consulting services or equipment. These questionnaires adapt in real-time to requester inputs, ensuring all necessary details are captured for downstream processes.



To enhance intake processes, the platform's Orchestration Library serves as a catalog of pre-designed workflows that can manage complex procurement activities. Features include granular view and edit permissions, request-level visibility by subsidiary or department and confidential workflows for sensitive requests. Permissions are assigned based on document types or hierarchical roles to ensure controlled access and visibility.

Workflows route requests for approval based on pre-configured logic tied to parameters, such as budget thresholds, departments or entities. For instance, purchase requests exceeding a specific budget threshold are automatically routed to a financial approver. The vendor onboarding process is integrated, collecting and

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validating critical vendor details like payment information, bank account details and currency preferences, which are synchronized with the organization's chart of accounts for compliance and accuracy.

Zip ensures SOX-ready auditability with features like detailed tracking of user actions, centralized audit logs accessible via API and CSV export capabilities. This audit trail ensures all procurement activities adhere to regulatory and organizational standards.

Moreover, Zip AI guides users to the appropriate vendors, workflows and systems by analyzing organizational needs and historical patterns. This feature dynamically adjusts intake questionnaires and recommends optimized procurement processes.

Procure to pay

Zip's procure-to-pay capabilities manage the procurement lifecycle from request intake to payment, offering features for native PO management, multi-channel invoice ingestion, punch-out catalog integration and two-way and three-way matching to validate and process transactions. The platform automates the creation of POs from approved requests, ensuring accuracy and consistency.

Multiple PO types, including standard POs for one-time purchases and blanket POs for recurring or high-volume transactions, are supported. For example, blanket POs can consolidate repetitive monthly services. PR-PO flip functionality links purchase requisitions (PRs) and POs, eliminating redundant manual entry. Each PO includes a complete audit trail of the request, approvals and order specifics, and workflows can ensure final review by procurement managers before issuing POs.

Integration with ERP systems ensures seamless synchronization of vendor details, departments and payment terms. Request-level visibility for approvals and changes makes procurement processes transparent and auditable.

To complement procurement workflows, Benchmarking Insights help organizations analyze pricing data against thousands of contract records and identify cost variances and pricing trends. This real-time comparison feature enhances decision-making on POs and vendor agreements.

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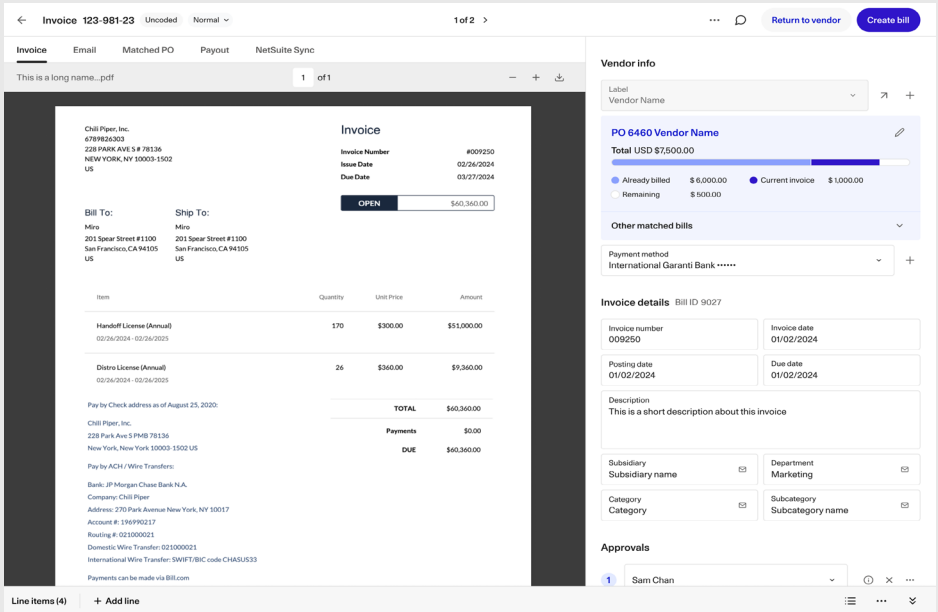
Accounts payable (invoice processing)

Zip centralizes invoice management by connecting to shared AP inboxes and extracting invoice data through AI-enhanced OCR technology. The system applies multiple matching criteria, such as PO numbers, vendor details and line-item data, to pair invoices with corresponding POs. For example, an invoice missing a PO number can still be matched using vendor details and invoice amounts.

The platform also includes PO flip functionality, enabling automatic generation of invoices from approved POs to ensure consistency between orders and invoices. Discrepancies, such as mismatched totals or incorrect payment terms, are flagged for resolution. Suppliers can upload invoices directly through a vendor portal, and unmatched invoices can be flagged for internal review or escalated through built-in collaboration tools. For instance, AP team members can request additional details or refer an issue to the procurement team.

The system supports credit note processing, linking notes to specific invoices or bills for reconciliation. Additionally, the platform can integrate third-party solutions to provide case-by-case government tax and e-invoicing compliance features, meeting country-specific mandates for taxes and electronic invoicing.

To further optimize the accounts payable process, Document Extraction instantly parses uploaded invoices and contracts to extract line-item data, payment terms, pricing and GL codes. This ensures accurate and structured data for downstream processes. Additionally, Approval Assist accelerates invoice approvals by identifying mismatched line items or irregular payment terms.



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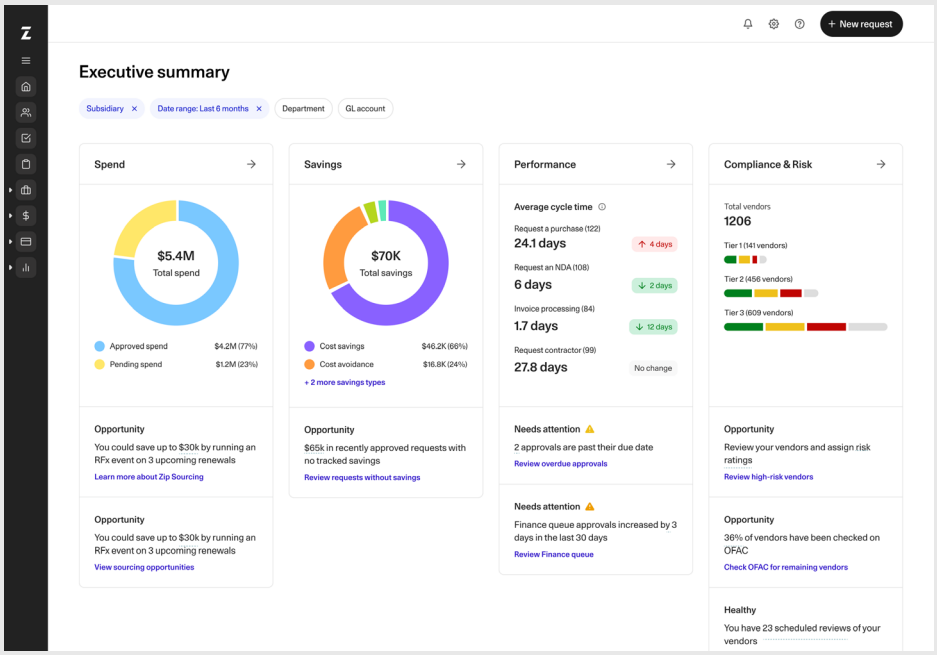
P2P reporting features

Zip also includes robust reporting tools for analyzing procurement and accounts payable data. Pre-configured reports provide insights into metrics, such as open POs, accruals and spend distribution, and can be scheduled for automatic delivery in formats like Excel. For example, weekly reports summarizing open POs can be distributed to department heads for review and follow-up actions. Data can be synchronized directly to a data warehouse for reporting and analysis

The CFO Dashboard offers an executive-level view of compliance, spend management and productivity metrics. For example, the dashboard may display the percentage of PO-backed spend, contract-backed spend or vendors flagged for high risk. It also provides visibility into approval cycle times and workload distribution among team members. This consolidated view allows decision-makers to monitor processes and evaluate operational performance efficiently.



B2B Payments

Zip's payment system enables the creation and management of payment batches based on specific criteria, such as currency, payment method or urgency. For example, urgent invoices can be prioritized for immediate payment. Payments are routed through integrated processors like Airwallex, supporting multi-currency transactions and connections to various bank accounts.

The platform offers virtual cards for pre-funded transactions,

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allowing organizations to define spending limits for individual vendors or specific transaction types. For example, a virtual card may be issued for managing recurring small purchases like software subscriptions while maintaining strict spending controls. Payment workflows include distinct approval stages to ensure that all transactions adhere to organizational policies before funds are released.

Additionally, with AI-powered search, users can retrieve payment details, vendor records and payment schedules across the platform. This facilitates tracking and analysis of payment workflows, ensuring compliance and consistency in disbursements.

Sourcing

Users can create sourcing events (Requests for Proposal (RFPs), Requests for Information (RFIs) and Requests for Quotation (RFQs) from scratch in various ways. Alternatively, they can use pre-existing templates that include best practices and typical requirements. Integration with other systems allows users to import relevant data (e.g., a PR) directly into the sourcing events.

Users are then guided through a series of fields to populate. Such fields typically include the title of the event, description, budget parameters and any specific supplier requirements. Additionally, users can define the evaluation criteria, which will guide how proposals are assessed once received.

The process is configurable and follows a structured series of steps. Configurability and event setup include:

- Visibility settings that allow users to determine who can access and view the sourcing events.
- Timeline configurations to set deadlines for vendor responses and clarify the overall calendar for the event.
- Milestones and activities to track progress or checkpoints throughout the sourcing process.

Sourcing events can include a questionnaire (RFI) drawn from a library of editable templates, created from scratch, generated by using GenAI or based on the import of an existing questionnaire. The creation of questionnaires is straightforward. With a visual editor, users can define sections and (conditional) questions. Questions can include a scoring algorithm: auto-scored based on answers or scoring by users assigned at the section level.

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Users can define specific requirements for items and services through detailed line items within the sourcing event. However, Zip does not yet support in-app cost breakdowns — price sheets or rate cards need to be attached.

Regarding supplier inclusion in sourcing events, users can invite suppliers based on specific criteria, such as category alignment, risk assessments and performance metrics. Suppliers invited to an event can be:

From a name search in the pool of suppliers that the company already has (ZIP syncs with the vendor master).

Suggested via discovery using GenAI powered by OpenAI's ChatGPT.

Manually added and created.

Once completed, users can publish events to notify suppliers. Suppliers use a customer-specific portal to receive RFxs and submit bids. They can add as many users as they want and manage user groups.

The supplier bidding process is designed for engagement and simplicity. Suppliers can submit their offers through the platform by entering their bids/answers in the application directly or via an export/import process. ZIP supports communication on events at different levels: event or question.

In terms of analysis and evaluation of offers, users can review incoming offers and score them according to the configuration of the questionnaire and event. Different people can be assigned to different questions to score in a cross-functional approach. As mentioned, the solution can auto-score questions and raise flags. The solution provides detailed, summarized and color-coded side-by-side views to support the scoring and evaluation processes.

Once the evaluation process is complete, the event follows the next step, which can be, for example, another evaluation in the case of a competitive process that includes formal offer presentations and/or demos.

The awarding process supports multi- or split-awarding, allowing customers to award projects to multiple suppliers. Moreover, the award process seamlessly integrates with subsequent activities. Once an award has been made, it can be used to initiate contracts or orders or to feed the initial intake with the event's outcome.

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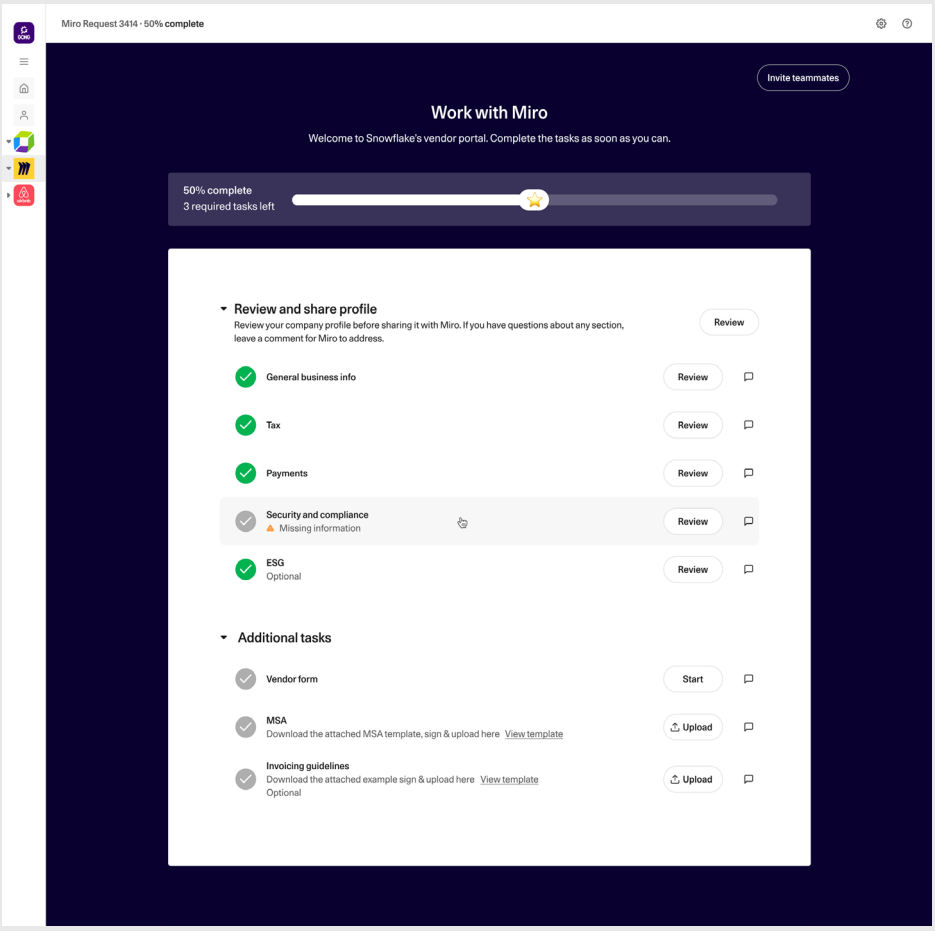
The awarding process can also be used to track procurement performance, as generated (negotiated) savings can be recorded, logged and tracked.

Supplier management

Zip allows organizations to consolidate vendor data in a unified platform to provide a single source of truth. The supplier repository and the information on each supplier can be from:

- Connected applications that the customer uses (vendor master, ERP, etc.).
- Processes performed in Zip (intake and sourcing, for example).



Zip, as mentioned, covers intake for, for example, a business user who needs to create a new supplier/vendor. But it can also cover the whole onboarding process.

The onboarding process for vendors using Zip is notably streamlined. Vendors can easily upload the necessary business data and documents via a straightforward, user-friendly portal. The onboarding process leverages the platform-level capabilities we already mentioned to ensure all the required information about

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(new) suppliers is collected and reviewed at the right time and level of diligence (which can also mean fully automated processes under certain circumstances).

The onboarding process combined with Zip's integration capabilities at platform level that we already mentioned also participate in enriching a customer's supplier repository with information. Regarding supplier information management, users can browse the supplier repository and zoom in on the specifics of a supplier, and if configured, suppliers can update their profiles. Supplier profiles can include general information on a supplier, a 360-degree view of transactions/processes with that supplier and any other information from connected third-party data providers.

Zip also supports supplier lifecycle management. Customers can build processes to evaluate supplier performance by collecting reviews from all involved parties and stakeholders.

Customers can also benefit from supplier discovery capabilities. For that, Zip uses GenAI powered by OpenAI's ChatGPT (OpenAI is a customer and partner).

Roadmap and vision

In 2025, Zip plans to add the following to its product:

- Embed AI-powered insights and automation across purchasing workflows, including AI risk detection and invoice coding.
- Optimize scalability and deployments.
- Enhance vendor and catalog search with a single entry experience to catalogs and vendors.
- Drive ongoing efficiencies to onboard and manage vendors/suppliers.
- Network/marketplace of vendors/suppliers to enhance and improve guidance and selection of suppliers in sourcing events (recommendations, more filters).

Ultimately, Zip's product vision is to be the global standard for B2B spend.

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The platform's scalability, including multi-subsidiary and multi-currency support, makes it particularly suitable for multinational organizations seeking standardized processes and enhanced efficiency.

User considerations

Use Zip when:

- Your organization is a large enterprise based in North America, EMEA or Asia Pacific in the tech/high tech, banking, financial services and insurance, biotech/pharma or retail and consumer services industries.
- It requires help managing intake requests, especially across many departments.
- It desires a user-friendly, no-code user experience.
- It would like to manage its own integrations and have granular control over workflow permissions and approval steps.
- It requires indirect sourcing support (as opposed to direct).
- It needs a seamless intake-to-pay workflow, integrating procurement processes from request to payment with a user-friendly, modular design.
- It requires robust compliance and audit capabilities, such as SOX readiness and detailed audit logs, to meet stringent regulatory and governance standards.
- It manages complex global operations, requiring multi-subsidiary support, multi-currency transactions, and standardized processes across diverse entities.

Analyst summary

So what's our assessment for Zip's prospects?

Glass half full:

Zip stands out as a comprehensive solution that has gone beyond its initial intake management use case to include both orchestration and native S2P capabilities. It does so on an intuitive, unified platform with no-code configuration and, accordingly, high end-user adoption rates and ROI regardless of teams' technical expertise. Further, the platform's scalability, including multi-subsidiary and multi-currency support, makes it particularly suitable for multinational organizations seeking standardized processes and enhanced efficiency.

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Zip's flexibility and orchestration enable it to support diverse procurement and non-procurement workflows, and its AI releases further elevate its capabilities (especially with respect to native S2P features). With further development in these areas, Zip will continue to branch out of its largely self-created intake and orchestration market and become a viable candidate for any large organization in search of procurement software.

We look forward to following up with Zip as it continues to innovate in the intake and orchestration, P2P and S2P markets.

For deeper functionality scoring, visit Spend Matters Insider.

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