

What's behind the investment in Globality's services sourcing solution?

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Globality provides a procurement technology solution that uses AI to enable organizations to source complex services across multiple categories. At organizations across all industry verticals, services comprise, on average, 50%-60% of external spend. Most of these services categories are not well or comprehensively managed, and purpose-built technology solutions have been scarce.

Globality recently completed a \$138 million Series E round from Sienna Capital, a wholly owned subsidiary of Groupe Bruxelles Lambert, and Softbank Vision Fund, bringing the company's total funding to \$310 million since its inception in 2015. This funding will support the company's continued growth, including go-to-market and client-facing activities and, of course, product development, including user experience design (UX), industry vertical expansion, spend category additions, internationalization, etc.

To understand what is driving this investment, it is helpful to look back and examine Globality's development as a business and its strategic momentum over the past 1-2 years. We were able to catch-up with Globality's Chief Revenue Officer, Keith Hausmann, and review what's been happening at Globality and where it is headed.

Globality Summary

This is a highly simplified summary of what Globality does, for those who are not acquainted with the company and its platform solution.

The Globality platform enables organizations' employees and their procurement teams to execute a new kind of consumer-like, cognitive sourcing process for services spend or categories using AI to optimally define their scope, connect with best-fit suppliers, automate analysis and comparison, evaluate, negotiate and seamlessly award business in various systems of record.

AI guides users to complete Smart Briefs that are matched with AI-enhanced supplier Smart Profiles, effectively automatically creating a short list for the buyer. The platform supports proposals from short-listed suppliers that buyers can compare and evaluate, and buyers can then work with one or more suppliers to determine the best fit/deal. The platform also enables SOW creation, at which point the service engagement is ready to be undertaken. Similarly, the Platform provides an AI-driven interface for suppliers, making proposal development less costly, faster and more relevant.

The platform's AI continuously models, creates and refines what Globality calls a Service Graph based on data points gathered throughout individual sourcing events. Over time, this modeling process supports better briefs, profiles, matches, proposals, negotiations, selections and SOWs.

Globality's platform aims to deliver a range of benefits, including better service outcomes, cost savings, higher productivity for sourcing leads and increased scope of spend under management. The Globality-enabled process can eliminate traditional manual procurement processes and deliver faster time-to-value. Lastly, the solution can free category or sourcing managers or other procurement practitioners from low-value tasks, allowing them to focus their attention on higher-level activities.

Globality's Progress

While Globality began developing its platform in 2015, prior to early-2019 Hausmann described the company's enterprise go-to-market as nascent. But an early 2019 \$100 million series D round allowed the company to further accelerate its product development and go-to-market execution throughout 2020. During that period of time, Globality has progressed in coalescing a pioneering strategy for services sourcing and executing against it in a number of different areas.

The Business

Globality's strategy is to serve industry vertical markets, where businesses will have common ground in services categories and sourcing practices (industries where the complexity and inefficiency of services sourcing is pervasive). Over the past 1-2 years, the company has engaged various large enterprise clients across several key verticals including Pharma/Life Sciences, Healthcare, Financial and Professional Services, Technology and Telecom, Aviation and CPG.

Driven by this growth, Hausmann told us that, over 2020, Globality has significantly scaled-up critical expertise including highly sought-after technical and data science as well as client-facing talent and deep category domain knowledge. The company was able to benefit from coronavirus-driven curtailment of projects and downsizing at other organizations to fill key roles.

Hausmann also discussed beginning to work with go-to-market partners, including large BPO players which are bundling services with technology for their markets. In addition, the development of integration partnerships with technology solution providers has also been occurring. In December, the company announced that connector extensions for SAP Ariba Contracts and SAP Ariba Buying and Invoicing were available on the SAP App Center (allowing businesses to "source service suppliers on Globality's platform and create contracts or purchase requisitions automatically in the SAP Ariba Sourcing solution, helping to ensure downstream compliance."). Similarly, Globality has integrated with SAP's Fieldglass product. Hausmann also indicated that Globality was working with other procurement solution providers.

The Platform

In the early days, Globality primarily emphasized self-service sourcing by business users in organizations. During the last two years, Hausmann said, Globality has expanded to all sourcing use cases, including those that are more procurement-led, procurement-driven, procurement-owned. Another kind of use case that is being addressed is what Hausmann calls "sole sourcing," by which he means continuing to use a known supplier but working to engage that supplier in a more effective way (with better scoping, briefs, supplier profile, supplier performance insight, etc.).

Globality is also expanding the number of service categories that can be sourced with the support of AI on the platform, according to Hausmann who linked this to Globality's industry vertical-oriented growth strategy. Each of the industries, he elaborated, have their own nuanced categories. Even though marketing and consulting, for example, are somewhat ubiquitous or common, businesses in different verticals think about those categories differently, and Globality has been building industry customization into its models. One example of a new category that has been added is SaaS. Facilities and real estate are two new categories that Globality is working on now, Hausmann stated.

Hausmann also discussed one key area that started to get more product development focus and resources in 2020: user experience (UX). Hausmann pointed out that as Globality adds more customers, product development is getting more experiential pieces of information about where the experience can be even better and more consumer-like. Accordingly, Globality hired a Head of UX in mid-2020, who is now looking at the use cases and observing what is actually happening on the platform and where they can support the user in being optimally effective and agile in using the platform. This is a part of a formal UX initiative, which is about taking user experience to a level not seen in long practiced procurement processes. There is a recognition here, Hausmann said, that sourcing platforms in the B2B world are still not well adopted because the user experience is not well taken into consideration.

In addition to all of the above, Globality has begun investing in the internationalization of the platform (including training the AI for different languages). While physical geographical expansion of the business is something that has been and will continue to occur over-time, large companies that Globality addressed are often multi-national, and therefore, in effect, multi-lingual.

The Future

With a new round of investment under its belt, Globality is poised to continue its growth path.

It will continue to gain depth in established verticals, continuing to grow customers and the pool of data for training the solution's AI; and it will also continue to gradually expand industry verticals (all of which should be supported by internationalization). Globality will also continue to expand the number of service categories which can be sourced through the platform (also a growth driver).

Product/platform development, with the needed resources, will also continue to support the above growth directions. The ongoing training of AI models will, of course, continue along with the development of UX to optimize more procurement use cases from the standpoint of all involved parties. According to Hausmann, the road map is bulging (by which he means a good thing), but being executed on faster than ever due to rapid expansion of its engineering teams throughout the world.

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Conclusion

Globality has built (and continues to build) a one-of-a-kind services sourcing platform and seems to be hitting its stride with its enterprise procurement transformation-focused strategy that has taken shape over the past two years. Over that period, the company has brought on a range of new executive talent, industry experience and technical expertise that is a part of its gathering momentum.

The recent investment could be viewed as validating the path Globality is now on, as it begins to emerge as a seriously innovative procurement solution focused on sourcing demands that have complex intent (i.e., non-catalogable). And, in some ways, the enterprise market seems to be starting to expect new technology solutions that are built to tackle services in ways that may not have been possible before.

As a part of our broader service procurement technology research, Spend Matters will continue tracking solution providers like Globality that are coming at the sourcing and management of complex services in new and different ways. And we hope to be able to publish a PRO Vendor Analysis brief on Globality in the near-term future.

Services spend is increasingly being seen by procurement organizations as an area where there are opportunities for savings and performance improvement. Procurement practitioners interested in taking part in a Spend Matters/SIG survey, about how organizations use technology today to buy and manage services, are invited to do so [here](#).