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PRODUCT LEADER

*Advancing the Product Portfolio to Match
the Full Range of Customer Needs*

*RECOGNIZED FOR BEST PRACTICES IN THE
EUROPEAN AGENTIC AI FOR PROCUREMENT
INDUSTRY*

F R O S T & S U L L I V A N

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Best Practices Criteria for World-class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each recognition category before determining the final recognition recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Mercanis excels in many of the criteria in the Agentic AI for procurement space.

| RECOGNITION CRITERIA | |
|------------------------|-------------------------------------|
| <i>Business Impact</i> | <i>Product Portfolio Attributes</i> |
| Financial Performance | Match to Needs |
| Customer Acquisition | Reliability and Quality |
| Operational Efficiency | Product/Service Value |
| Growth Potential | Positioning |
| Human Capital | Design |

Procurement's Digital Transformation

Procurement is undergoing one of the most significant transformations in enterprise operations. Once focused on controlling costs and managing transactions, it now drives enterprise resilience, innovation, and growth. Modern procurement leaders deliver far more than savings; they secure business continuity, ensure supplier transparency, and advance critical organizational priorities (e.g., environmental, social, and governance [ESG], risk resilience, and regulatory compliance). This evolution positions procurement as a strategic partner that strengthens organizational agility and long-term value creation.

Several powerful trends have accelerated this transformation. Organizations have replaced manual processes with digitalization and automation, adopting cloud-based platforms that bring visibility and efficiency across the procurement lifecycle. Procurement teams utilize data-driven insights and artificial intelligence (AI) to inform decisions, identify savings, and manage risk more effectively. Global supply chain disruptions underscore the importance of robust supplier relationships and proactive risk management, while increasing ESG and regulatory pressures prompt organizations to prioritize ethical and sustainable sourcing as a strategic imperative. At the same time, talent and efficiency constraints drive teams to adopt automation tools, freeing them to focus on higher-value work.

Still, many enterprises continue to face significant challenges in their digital procurement journey. Legacy systems, fragmented data, and low technology adoption across business units often limit visibility and collaboration. Many procurement organizations struggle to integrate disparate tools across sourcing,

contract management, and supplier relationship management, resulting in inefficiencies and lost value. In addition, the growing complexity of global supply chains, combined with mounting compliance demands, puts pressure on procurement to deliver strategic impact with fewer resources.

To overcome these constraints, organizations are increasingly adopting Source-to-Contract (S2C) platforms that unify sourcing, supplier management, contracts, and analytics within a single intelligent ecosystem. Next-generation S2C platforms leverage AI and automation to increase agility, accuracy, and scalability, enabling procurement teams to identify growth opportunities, unlock innovation, and make faster, data-driven decisions that deliver greater business impact across the enterprise.

Amid this transformation, Mercanis has emerged as a leading innovator in the S2C space. Headquartered in Germany and founded by procurement experts, the company leverages deep domain expertise to reimagine the S2C process with a unified, AI-driven platform designed for simplicity, automation, and intelligence. By combining advanced analytics with user-centric design, Mercanis empowers procurement teams to drive agility, resilience, and long-term value creation across the enterprise. Serving a growing base of enterprises across Europe, Mercanis modernizes procurement operations for diverse industries, including manufacturing, pharmaceuticals, energy, and utilities. With its extensive experience and continuous innovation, the company stands out as a trusted partner that helps organizations transform procurement into a strategic, data-driven, and connected enterprise function.

Redefining Procurement through Innovation, Intelligence, and Orchestration

Mercanis stands out for its product innovation, blending intuitive user experience with AI-driven insights and automation to redefine procurement efficiency. Recognizing that most procurement teams still rely on spreadsheets and email for core activities, the company set out to deliver a platform purpose-built for procurement that is more intelligent, faster, and simpler than legacy systems. Through its comprehensive platform, Mercanis eliminates manual work, provides full visibility across categories and geographies, enhances compliance, fosters collaboration, and enables faster, informed decisions throughout the entire S2C lifecycle. Each module of the suite addresses a critical component of the procurement process, transforming traditional workflows into intelligent, automated, and insight-driven operations:

The **Sourcing** module automates the creation of requests for information, proposals, and quotations, bid collection, and evaluation, reducing cycle times and increasing supplier participation through real-time collaboration. It provides end-to-end visibility that supports supplier strategy optimization, enforces compliance through a no-code rule and approval builder, and leverages AI-driven bid comparison and recommendations to enhance decision quality.

The **Supplier Relationship Management (SRM)** module consolidates all supplier data and activities, from qualification and onboarding to performance tracking and risk management, into a single repository, ensuring transparency across the global supply base. Users can assess risk, monitor compliance and ESG performance, evaluate supplier capabilities, and identify innovation partners using AI-driven scorecards and dashboards. This proactive, insight-led approach shifts supplier management from administrative tracking to strategic collaboration and continuous improvement.

The **Contract Lifecycle Management (CLM)** module provides complete control and transparency over contract creation, negotiation, and renewals. Automated alerts, workflows, and AI-driven analytics reduce

compliance risks and administrative workload. By centralizing contract data and surfacing key terms and obligations, teams gain full transparency, improve renewal management, and ensure consistent governance across business units and regions.

The **Spend Analytics** module aggregates and cleans data from multiple sources using machine learning (ML), transforming it into actionable insights that enable leaders to monitor category performance, benchmark suppliers, and identify cost-saving opportunities in real time. The result is a single, reliable source of truth for spend visibility and strategic decision-making.

"Frost & Sullivan commends Mercanis for its relentless innovation in redefining what modern procurement software can achieve. The company demonstrates foresight in anticipating industry trends and agility in turning market shifts into competitive advantage. These strengths position it as a first mover in shaping the next generation of intelligent, connected, and human-centered procurement solutions."

*- Heena Juneja,
Industry Principal*

Underpinning this suite is a robust AI and data intelligence layer that unifies information across all procurement activities. The platform's ML models continuously enrich supplier data, optimize sourcing decisions, and surface predictive insights on spend, risk, and supplier performance. Taking this innovation further, Mercanis is pioneering the use of Agentic AI in procurement, introducing autonomous agents that act as intelligent co-pilots for buyers, category managers, and supplier managers. These agents can autonomously execute tasks (e.g., supplier discovery, risk monitoring, bid evaluation, and data validation), while also recommending optimal sourcing strategies

and preferred suppliers based on historical performance.

Continuously learning from context and user feedback, the agents augment human judgment, making teams up to 10 times more efficient by automating routine work and surfacing insights that guide strategic, sustainable, and collaborative decisions. The company continuously introduces new agents and capabilities, adapting to customer needs and steadily enhancing buyer efficiency to reach its full potential. By embedding Agentic AI directly into its workflows, Mercanis transforms procurement from a reactive function into a proactive, insight-led operation where AI and humans collaborate to deliver precision, speed, and foresight.

Mercanis' platform has proven value across multiple sectors. Case studies include AWG Mode (retail), where Mercanis digitized supplier management and compliance at scale, and Oventrop (manufacturing), which achieved four times more offers per sourcing event¹; Amer Sports reports 38% time savings and 18% sourcing savings following deployment². The company reports improved process savings in 2025, between 40–50% across sourcing and supplier management activities.³ These examples illustrate Mercanis' applicability to industries that require rapid onboarding, compliance, and sourcing automation; the company also reports deployments in complex sectors like energy and chemicals. Beyond efficiency gains, companies also achieve measurable bottom-line impact, with realized savings averaging 8% across

¹ <https://www.mercanis.com/case-studies/oventrop-case-study-procurement-sourcing-smb>

² <https://www.mercanis.com/case-studies/case-study-amer-sports-18-spend-savings-and-38-time-savings-in-sourcing-across-a-global-organization>

³ Frost & Sullivan Interview with Mercanis (October 2025)

categories, and in some cases reaching up to 15%, as teams can source more competitively from the same supplier base.⁴

"Frost & Sullivan recognizes Mercanis' customer-centricity as a key driver of its success and expanding market share. By aligning product innovation with real-world procurement challenges and a user-centric design philosophy, the company consistently delivers solutions that enhance efficiency, user adoption, and strategic value for its customers."

**-Rubini Kamal,
Best Practices Research Analyst**

Building on the foundation of Agentic AI, Mercanis is now extending its innovation toward a truly connected procurement ecosystem, one that unifies people, processes, and intelligence across the S2C lifecycle. By evolving toward an orchestration-first model, the company aims to seamlessly coordinate data, workflows, and decisions across every stage of procurement. Rather than treating sourcing, supplier management, contract oversight, and spend analytics as isolated modules, Mercanis is progressively unifying them into a single, intelligent flow. Through this approach, data captured in one process

automatically informs the next: supplier insights gathered during onboarding feed directly into sourcing events and contract negotiations, while contract terms and performance indicators inform spend analytics and risk management.

Through orchestration, Mercanis aims to eliminate silos, enhance compliance, and enable fast, data-driven decision-making. This evolution moves the platform beyond digital enablement toward true process intelligence, empowering procurement teams to orchestrate strategy, execution, and insight within a cohesive, AI-enhanced environment.

Together with its advanced AI and orchestration-driven approach, Mercanis accelerates operational efficiency and strengthens supplier collaboration, transparency, and trust, enabling enterprises to build resilient and innovative supply networks. By combining automation with user-centric design, the platform empowers procurement teams to move beyond transactional management toward strategic partnership, unlocking continuous value for the business and its suppliers.

Frost & Sullivan commends Mercanis for its relentless innovation in redefining what modern procurement software can achieve. The company demonstrates foresight in anticipating industry trends and agility in turning market shifts into a competitive advantage. These strengths position it as a first mover in shaping the next generation of intelligent, connected, and human-centered procurement solutions.

Positioned for Growth

With customer-centricity at its core, Mercanis ensures its product innovations align with user needs, consistently delivering measurable, real-world value. For example, as customers face mounting cost pressures across Europe, the company is developing a cost-savings module that enables procurement teams to track, calculate, and clearly demonstrate savings, thereby reinforcing procurement's strategic impact. Mercanis maintains a structured, multi-channel approach to capturing customer feedback, from an integrated ticketing system and regular customer meetings to strategic advisory boards, ensuring its

⁴ Ibid.

roadmap reflects evolving procurement priorities. This collaborative, co-creation model allows Mercanis to rapidly adapt to market priorities while reinforcing long-term customer trust.

Extending this philosophy into its technology design, Mercanis combines intuitive usability with enterprise-grade scalability and data security. Its user-centric interface supports rapid adoption, allowing teams to manage sourcing, supplier, and contract workflows with minimal training, driving faster time-to-value and high satisfaction. Its modular yet interconnected architecture allows organizations to scale capabilities at their own pace, whether digitizing individual workflows or transforming the entire S2C lifecycle. The cloud-native, modular architecture scales effortlessly with organizational growth, supporting multilingual, multi-currency, and multi-entity operations.

Equally, Mercanis enforces rigorous data privacy standards: its large language models operate within a private, Europe-based cloud to ensure compliance with data residency requirements. By differentiating between data-dependent and data-agnostic AI tasks, the platform enables safe, responsible AI use, delivering automation and intelligence with uncompromising governance. This fusion of adaptability, security, and usability makes Mercanis not just a digital tool but a foundation for long-term procurement excellence.

Mercanis continues to demonstrate strong growth and market traction, building a robust customer base in Germany and Switzerland while expanding its footprint in the United Kingdom. Its clients span mid-sized manufacturers to global enterprises, showcasing the platform's versatility and flexibility. The company reported double-digit customer growth in 2025, with notable additions such as BASF, Brose, Goldbeck, and Korian, underscoring its accelerating momentum and rising influence in the European procurement landscape.

Mercanis' growth trajectory is further strengthened by its successful move upmarket, serving larger enterprises with billion-euro revenues. This shift highlights its ability to meet the scalability, compliance, and integration demands of complex global environments. Its platform has gained particularly strong traction in industries such as manufacturing, chemicals, energy, and automotive, which demand advanced orchestration, automation, and data intelligence to manage intricate supplier networks and category-specific risks. As an early adopter of Agentic AI, Mercanis is uniquely positioned to address rising market demand for AI-enabled S2C solutions, further expanding its enterprise appeal.

“The simplicity of Mercanis has enabled us to integrate our stakeholders into the tendering process by allowing them to use the platform as a self-service solution for smaller tendering projects and to steer the procurement function into a more strategic direction without the tool becoming less complex for our category managers.”

- **Sven Novak, Amer Sports & Korian, Head of Procurement**

“Thanks to Mercanis, we have significantly fewer manual tasks and greater transparency across our supplier base. This saves us time and now our team can focus more on strategic tasks.”

- **Uwe Krepelin, GASAG, Head of Procurement**

Mercanis' financial performance reflects high growth momentum, reinforcing its product leadership and customer trust. The company reports sustained rapid revenue growth, which is estimated to have more

than tripled between 2023 and 2024, with a similar trajectory projected for 2025. This acceleration underscores growing enterprise adoption and the trust customers place in the Mercanis platform to power their digital procurement transformation. For example, clients requested Mercanis to develop orchestration capabilities for their own product ecosystems rather than legacy systems, highlighting the platform's effectiveness and strategic value.

Investor confidence mirrors this trust: in 2025, Mercanis secured a €17.3 million (over \$20 million) Series A funding round to accelerate product innovation and international expansion.⁵ The company is tripling its engineering capacity and strengthening its AI leadership, while extending its geographic reach beyond its core markets in Germany and Switzerland to the United Kingdom, Ireland, and the United States. This combination of customer advocacy, financial strength, and strategic investment positions Mercanis for sustained growth and continued innovation leadership in the larger S2C landscape.

Frost & Sullivan recognizes Mercanis' customer-centricity as a key driver of its success and expanding market share. By aligning product innovation with real-world procurement challenges and a user-centric design philosophy, the company consistently delivers solutions that enhance efficiency, user adoption, and strategic value for its customers.

Conclusion

To be a product leader, a company must understand market needs and deliver a robust, high-performing solution built on quality, reliability, and innovation. Frost & Sullivan finds that Mercanis embodies this principle through its artificial intelligence (AI)-driven, user-centric Source-to-Contract platform that simplifies complex procurement processes and accelerates digital transformation. Features such as Agentic AI and orchestration empower procurement teams to automate routine tasks, enhance collaboration, and make faster, data-driven decisions. With its intuitive design, scalability, and strong data governance, Mercanis sets a new benchmark for intelligent, connected, and human-centered procurement solutions.

For its strong overall performance, Mercanis is presented with Frost & Sullivan's 2025 European Product Leadership Recognition in the Agentic AI for procurement industry.

⁵ <https://business-news-today.com/mercanis-raises-20m-series-a-to-expand-agentic-ai-procurement-platform/>

What You Need to Know about the Product Leadership Recognition

Frost & Sullivan's Product Leadership Recognition is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Recognition Analysis

For the Product Leadership Recognition, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Leveraging innovative technology characterizes the company culture, which enhances employee morale and retention

Product Portfolio Attributes

Match to Needs: Customer needs directly influence and inspire the product portfolio's design and positioning

Reliability and Quality: Products consistently meet or exceed customer expectations for performance and length of service

Product/Service Value: Products or services offer the best value for the price compared to similar market offerings

Positioning: Product serves a unique, unmet need that competitors cannot easily replicate

Design: Product features an innovative design that enhances both visual appeal and ease of use

Best Practices Recognition Analytics Methodology

Inspire the World to Support True Leaders

This long-term process spans 12 months, beginning with the prioritization of the sector. It involves a rigorous approach that includes comprehensive scanning and analytics to identify key best practice trends. A dedicated team of analysts, advisors, coaches, and experts collaborates closely, ensuring thorough review and input. The goal is to maximize the company's long-term value by leveraging unique perspectives to support each Best Practice Recognition and identify meaningful transformation and impact.

| STEP | VALUE IMPACT | | |
|------|-------------------------------|--|--|
| | WHAT | WHY | |
| 1 | Opportunity Universe | Identify Sectors with the Greatest Impact on the Global Economy | Value to Economic Development |
| 2 | Transformational Model | Analyze Strategic Imperatives That Drive Transformation | Understand and Create a Winning Strategy |
| 3 | Ecosystem | Map Critical Value Chains | Comprehensive Community that Shapes the Sector |
| 4 | Growth Generator | Data Foundation That Provides Decision Support System | Spark Opportunities and Accelerate Decision-making |
| 5 | Growth Opportunities | Identify Opportunities Generated by Companies | Drive the Transformation of the Industry |
| 6 | Frost Radar | Benchmark Companies on Future Growth Potential | Identify Most Powerful Companies to Action |
| 7 | Best Practices | Identify Companies Achieving Best Practices in All Critical Perspectives | Inspire the World |
| 8 | Companies to Action | Tell Your Story to the World (BICEP*) | Ecosystem Community Supporting Future Success |

*Board of Directors, Investors, Customers, Employees, Partners

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Generator™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fueled by the Innovation Generator™.

[Learn more.](#)

Key Impacts:

- **Growth Pipeline:** Continuous Flow of Growth Opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Megatrend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

