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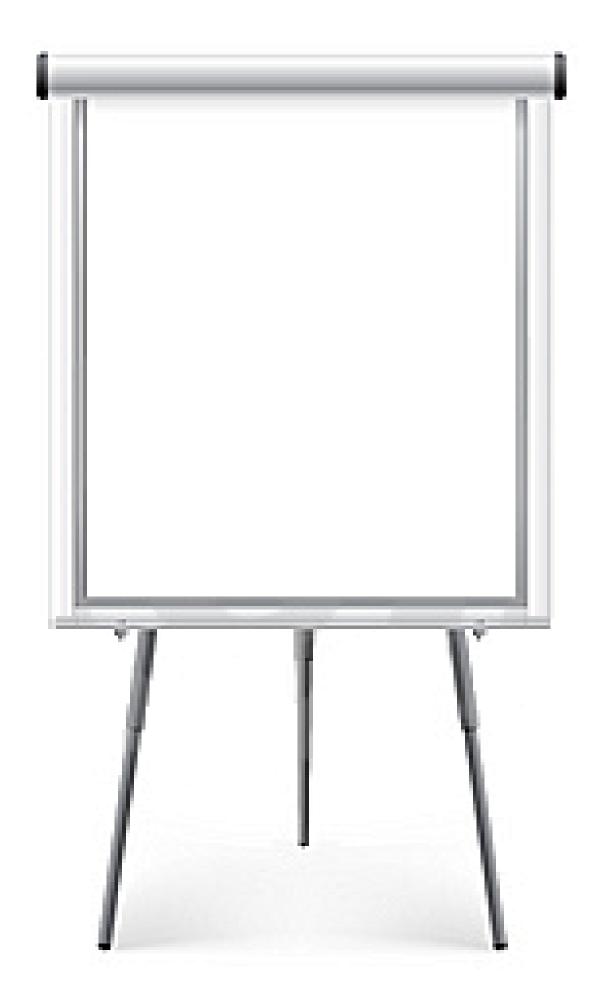
Developing Your B2B Integration Program for Measurable Gain

Greg Horton | Product Marketing Director



Agenda

- The Business Impact of B2B Integration
- How to Get There: A Maturity Model







Today's Supply Chain & Integration Challenges

- Embracing customer-driven needs
- Managing omni-channel complexity
- Supporting global trading partners
- Increased regulatory compliance
- Increased competitive pressure
- Improving supply chain resilience
- Embracing digital transformation
- Balancing efficiency vs. innovation

Can B2B Integration Improve Supply Chain Performance?

- IDC undertook a study to determine whether B2B Integration could be linked directly to supply chain performance
- The study covered 270 companies in the Automotive, High Tech and CPG sectors
- Responses were obtained from companies located across 8 major manufacturing hubs around the world





White Paper

How B2B Integration Drives Superior Supply Chain Performance

Sponsored by: OpenText

Lorenzo Veronesi March 2016

IN THIS WHITE PAPER

IDC Manufacturing Insights recently conducted a worldwide study of over 270 enterprises, across multiple manufacturing sectors (automotive, high tech, and CPG) covering eight countries, on behalf of OpenText, a global provider of enterprise information management solutions and services. The objective of the study was to understand the role B2B technologies can play in today's manufacturing organizations and to evaluate the impact on their supply chain processes.

The key findings of this white paper are highlighted here:

- Today's challenging marketplace is exposing the limits of many manufacturers' supply
 chain practices, which fail to properly address market demand variability and the need for
 more agile business operations. In particular, manufacturers are realizing these issues will
 only worsen going forward and they are ready to launch transformational initiatives in their
 supply chain strategies.
- As manufacturers strive to develop globally optimized supply chains that are more reliable, responsive, and agile, they are aware that real-time data exchange with trading partners can only increase in volume.
- Despite the growing need for information exchange, only less than 50% of companies can be defined as "high adopters" of electronic information exchange processes.
- However, survey results show that a number of best-in-class organizations are taking B2B
 to a new level as the key integration tool supporting value-chain collaboration. This entails
 adopting a more dynamic process that is collaborative, in real-time, and based on modern
 technologies such as cloud, mobility, Big Data analytics, and the Internet of Things.
- Our research demonstrates that this can bring real benefits to manufacturers; an analysis
 of supply chain metrics shows that evolving the B2B process significantly impacts
 business performance, regardless of the industry. In particular, metrics such as customer
 order delivery time, perfect order, inventory turnover, time to market, new product launch
 failures, cash-to-cash cycle, days of sales outstanding, and invoice processing time are all
 positively impacted by a more mature approach to B2B that entails more collaborative
 processes supported by modern technology.

SITUATION OVERVIEW

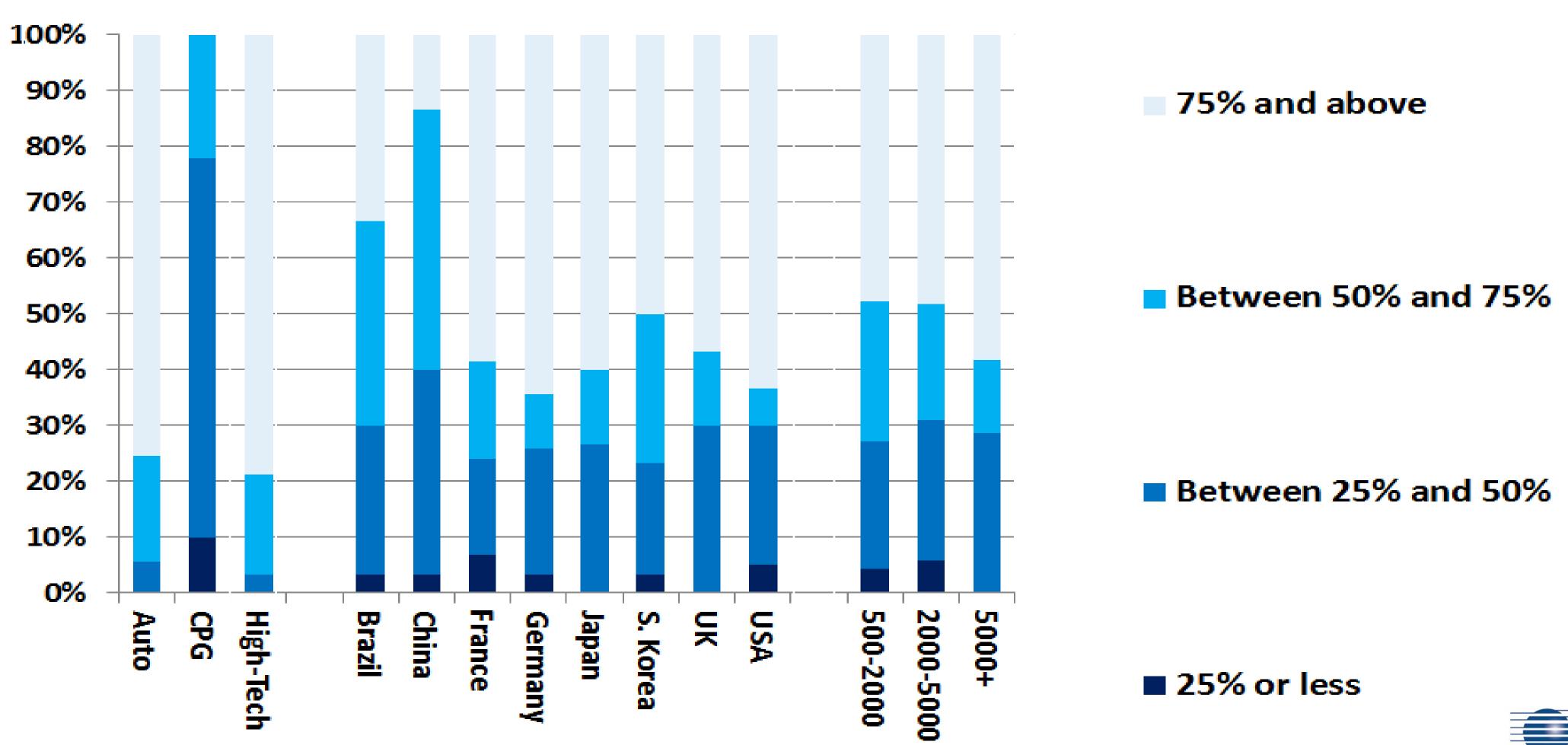
Aggressive Sales Strategy in Times of Growing Competition

Manufacturers have to face a "multipolar" economy. Rapidly shifting economic developments demonstrate how today's business environment is globally interconnected, and the traditional divide between low-cost and established economies is disappearing. The growing middle classes of the emerging markets are driving global demand, presenting a formidable opportunity for

March 2016, IDC Manufacturing Insights #IDCWP22W

Level of B2B Integration

Q. How much of your total B2B transactions are performed electronically?



Key Performance Metrics Measured

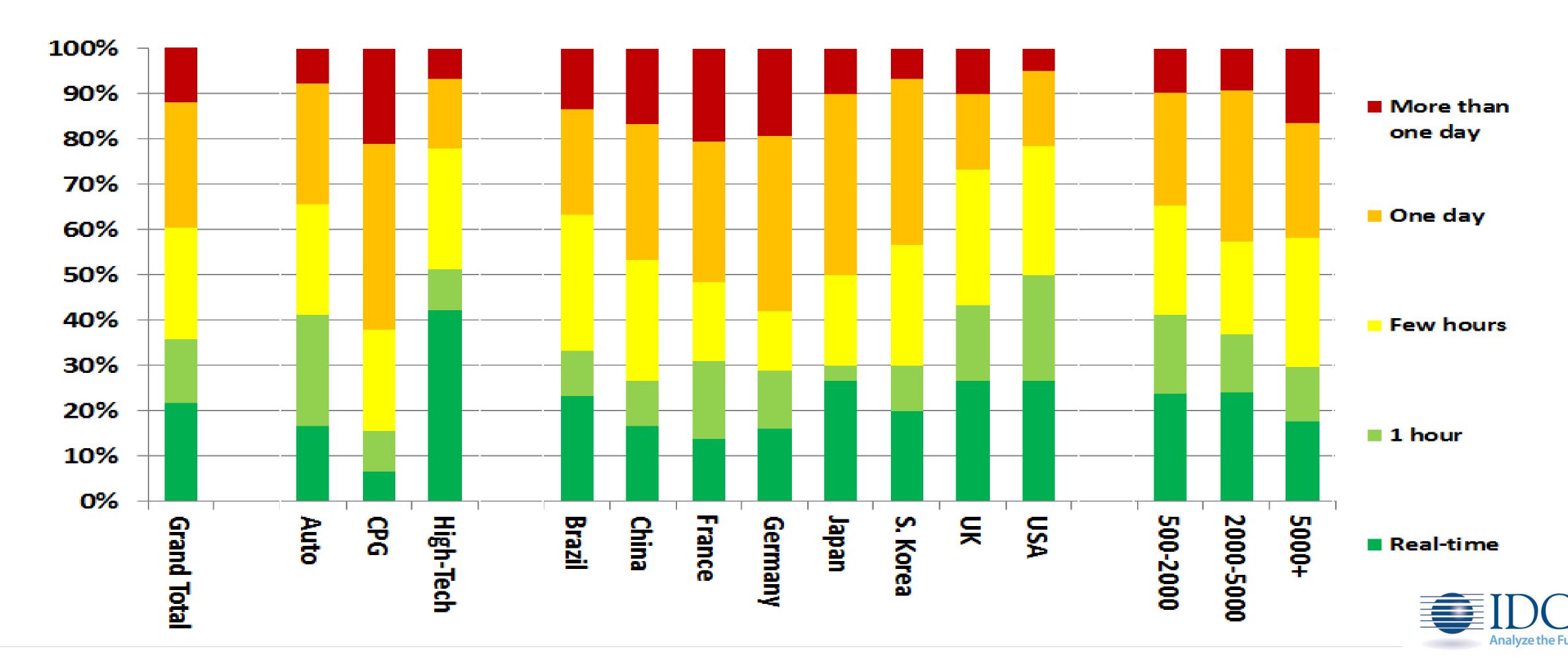
- Average customer order delivery time in days
- Average delay in days to respond to an internal or external unforeseen event impacting customer orders
- Share of perfect orders delivered (in full, on time, right price, in perfect condition)
- Monthly inventory turns (number of times inventory is sold or used in a month)

- Average time-to-market in days (product development to product sales)
- Share of new product launch failures out of total new products launches
- Cash-to-cash cycle time in days
- Days sales outstanding (DSO)
- Invoice processing time

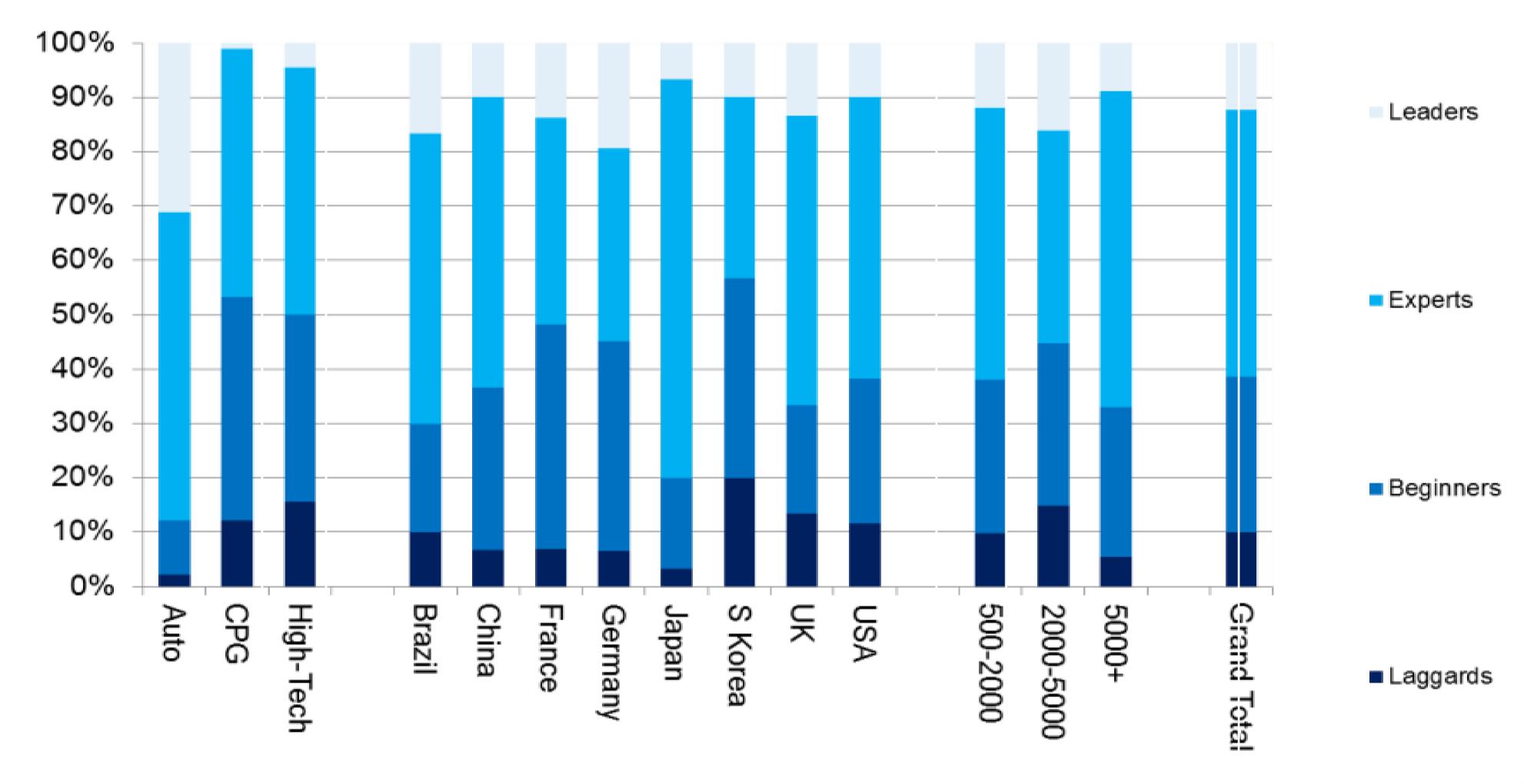


Example Performance Metric

Q. What is your average invoice processing time?



Four Performance Groups





The Business Impact of B2B Integration

| +156% | Faster invoice processing time |
|-------|---|
| +89% | More responsive to unforseen events |
| +48% | Improvement in customer order delivery time |
| +35% | Faster inventory turns |
| +22% | Reduction in cash to cash cycle time |
| +16% | Improvement in successful product launches |
| +3% | Improvement in perfect orders |



B2B Integration Can Improve Supply Chain Performance....

- The study demonstrates that there is a clear correlation between having a pervasive, more modern and collaborative B2B commerce platform in place and being a leader in supply chain performance
- 12% of respondents were regarded as leaders in how they deployed synchronous, collaborative technologies to improve supply chain performance





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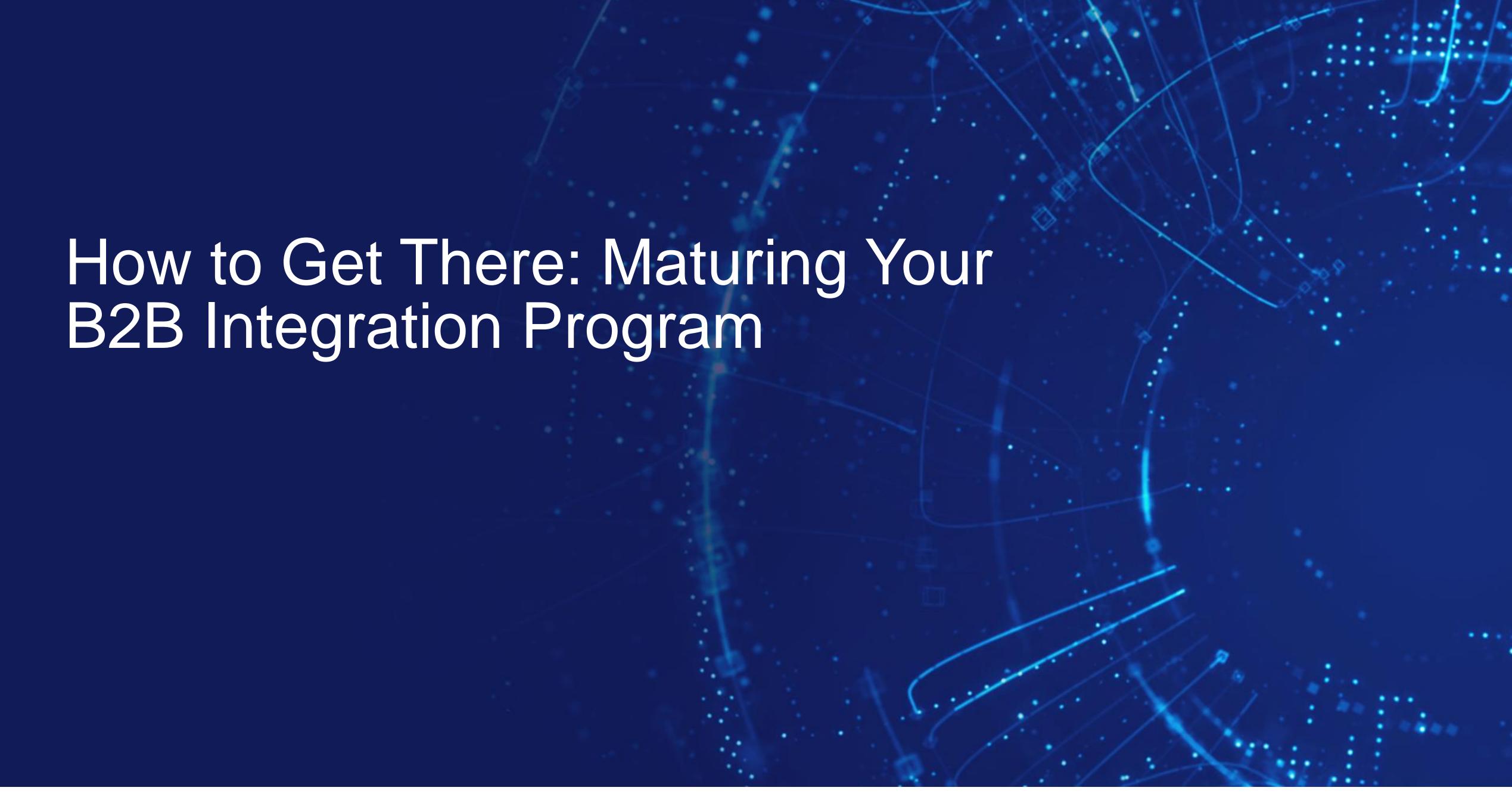
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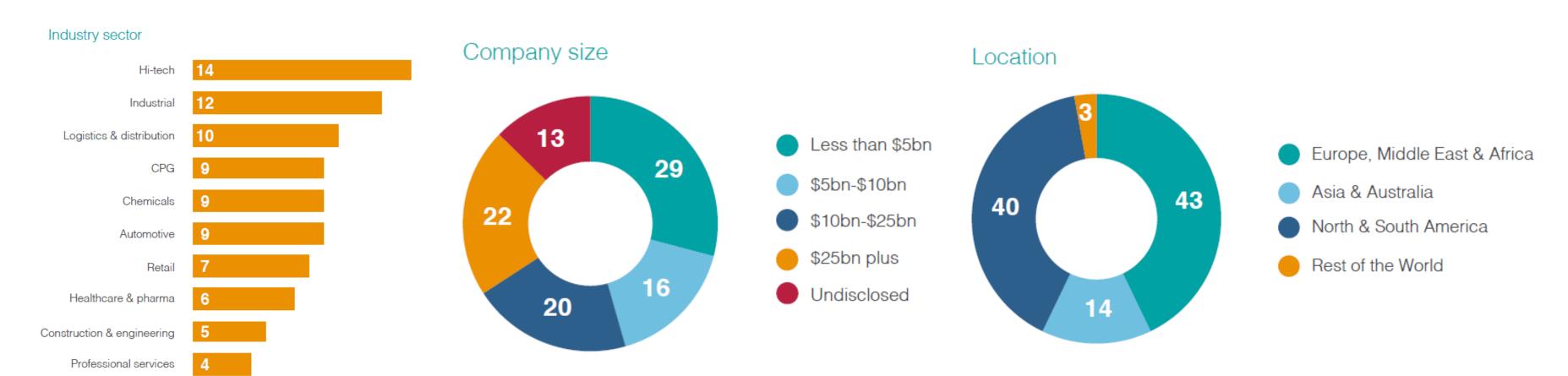
The Path to B2B Integration Maturity

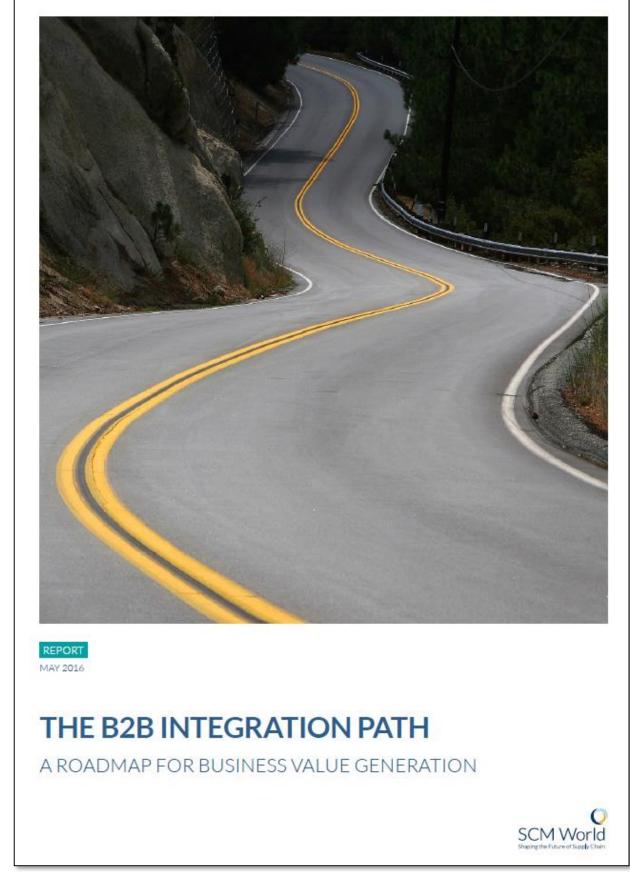
SCM World undertook a study that enables organizations to assess

their current state of B2B Integration maturity

Identify people/process/technology steps an organization can take to mature B2B programs

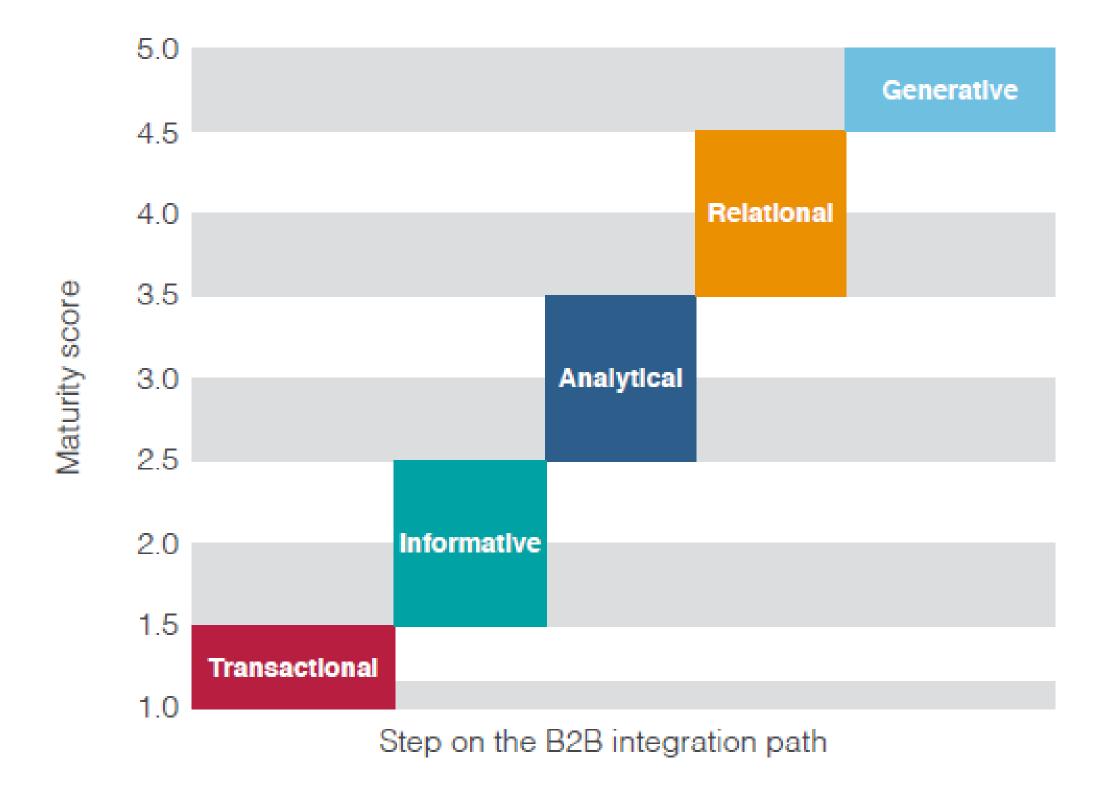
Document the value and ROI of doing so





Five Steps of the Maturity Path

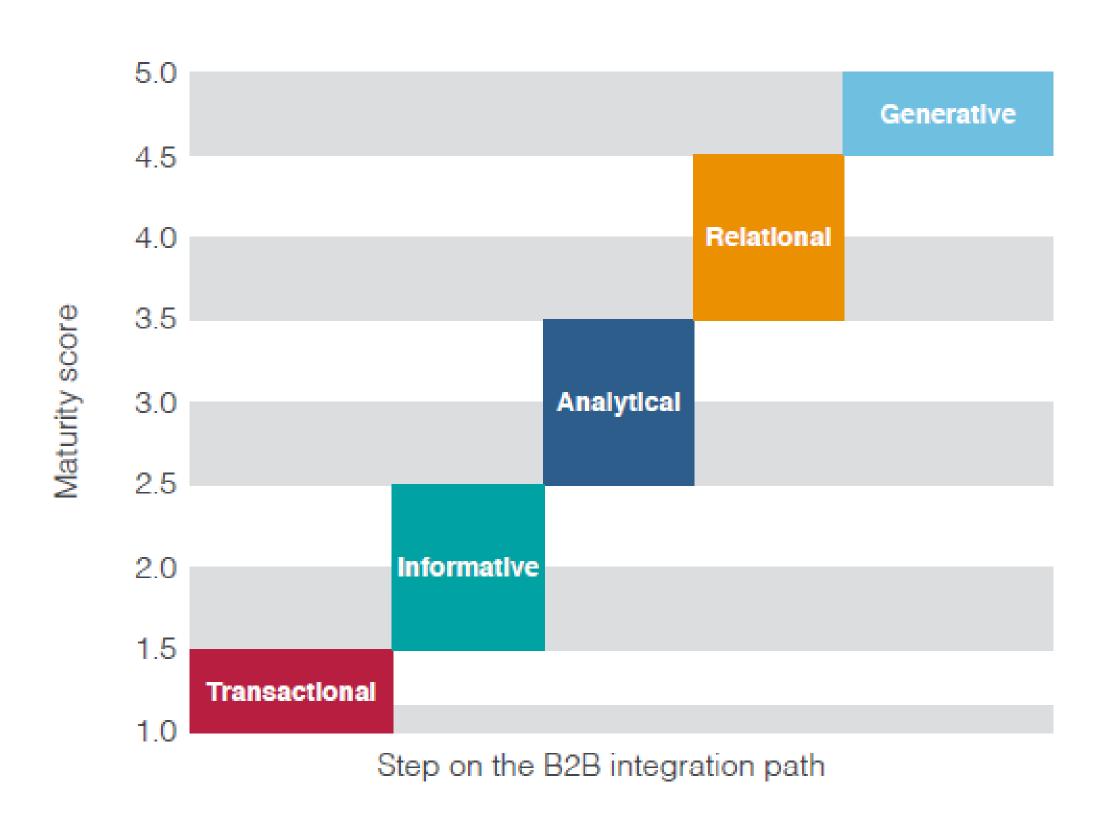
Five steps of the B2B integration path



- **Transactional** Tactical execution, siloed/reactive/manual
- Informative Foundational information exchange, limited digital visibility
- **Analytical** Collaborative insight, connected digital demand and supply data
- Relational Trading partners integration, multi-tier demand and supply networks
- Generative Profitable growth drivers, end-to-end digital integration

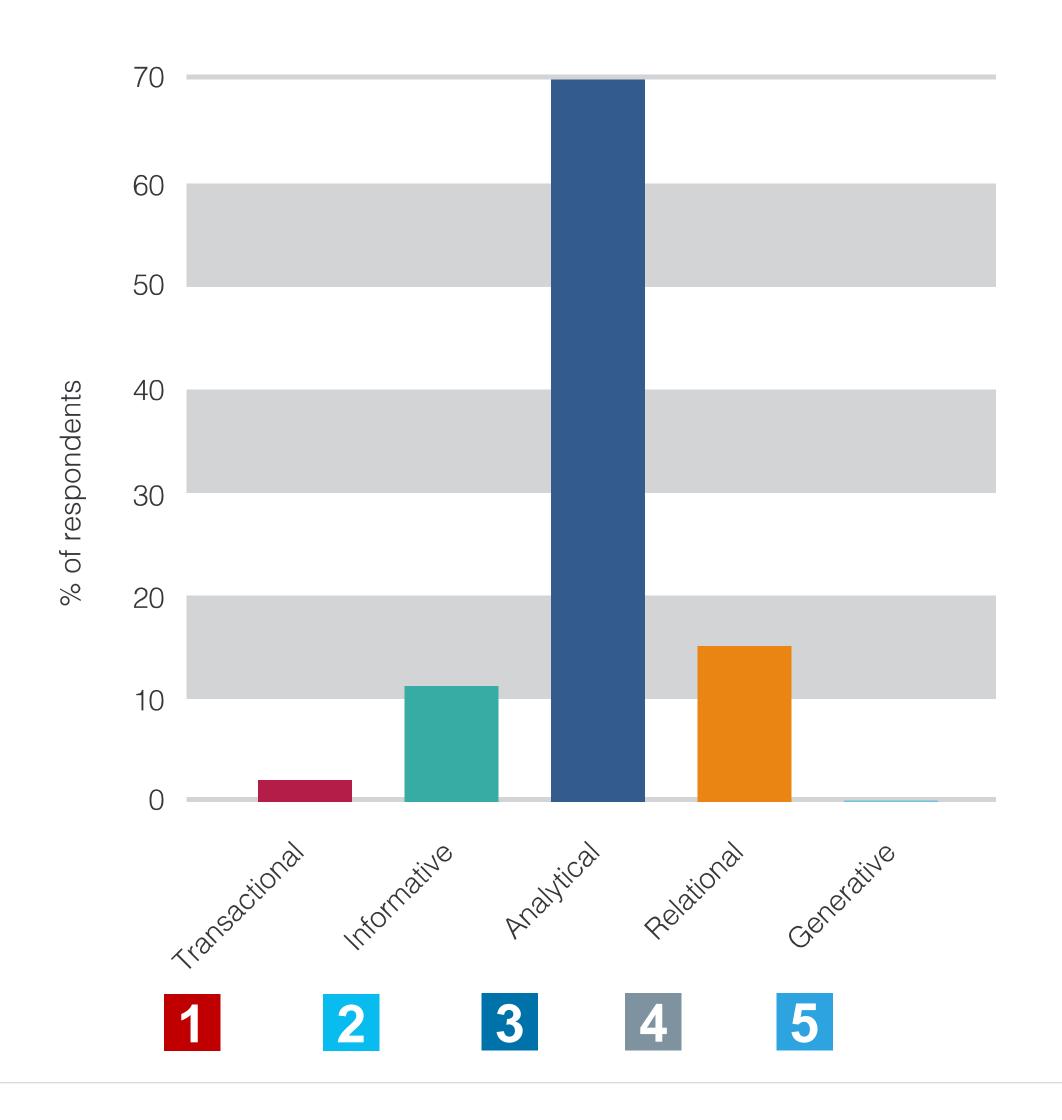
A Roadmap for Improvement





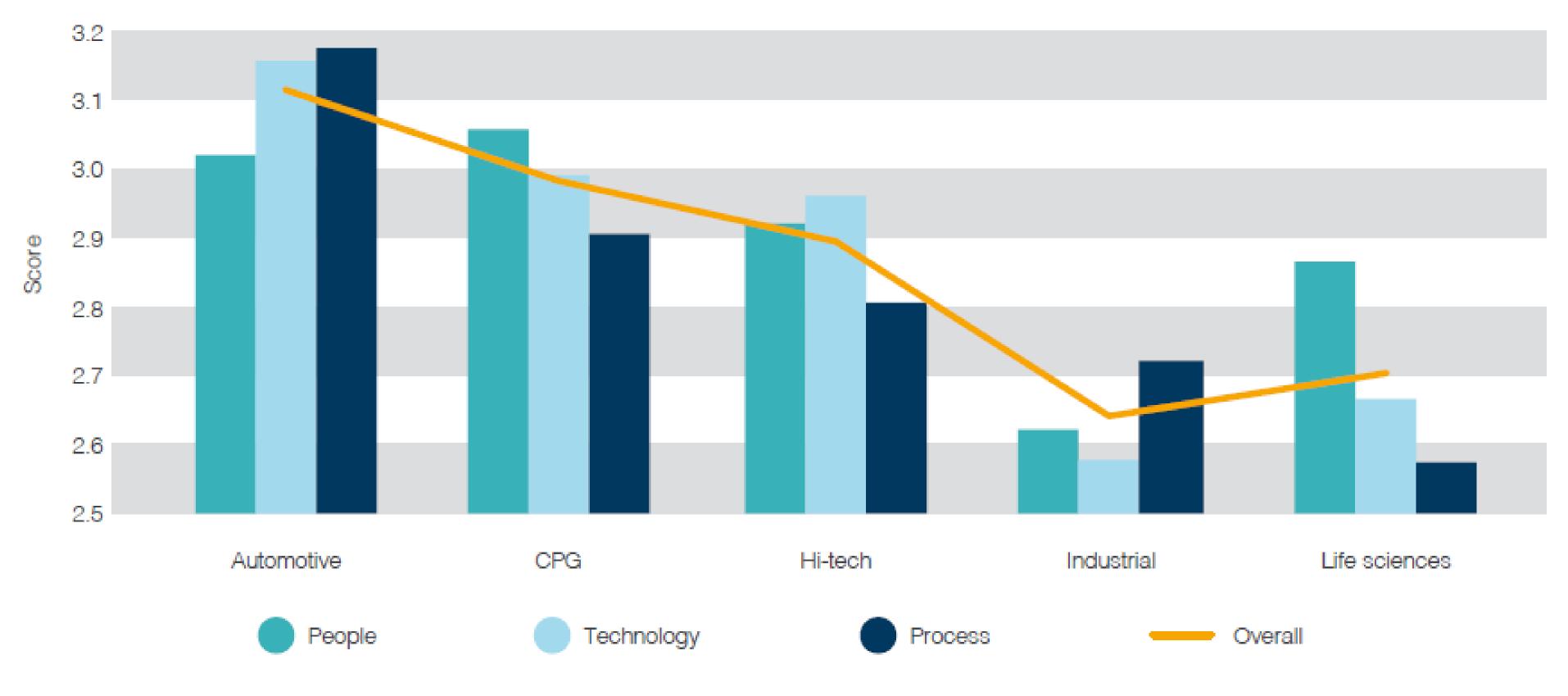
| People | Process | Tech. |
|------------------------|----------------------|------------------------------|
| Dedicated staffing | Partner automation | Information exchange |
| Integration expertise | Onboarding time | Tx with non- EDI partners |
| Decision alignment | Tx volume automated | B2B-ERP integration |
| Business justification | Exception handling | Supply chain metrics, KPIs |
| Business emphasis | Cross- functional | Compliance, auditability |

Distribution of Overall Responses for Each Step



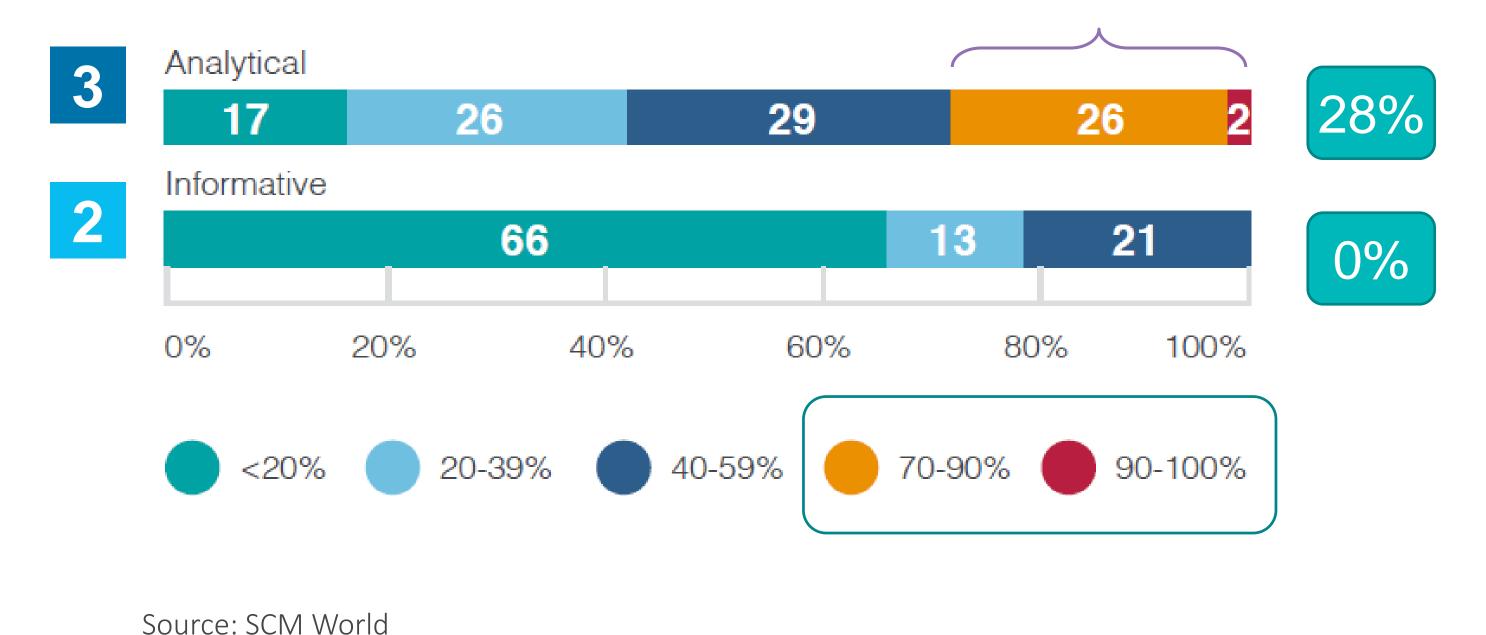
Industry Performance

Progress on the B2B integration path in five key industries



Connect Digitally with More Trading Partners

A12 | What percentage of partners do you trade with digitally?

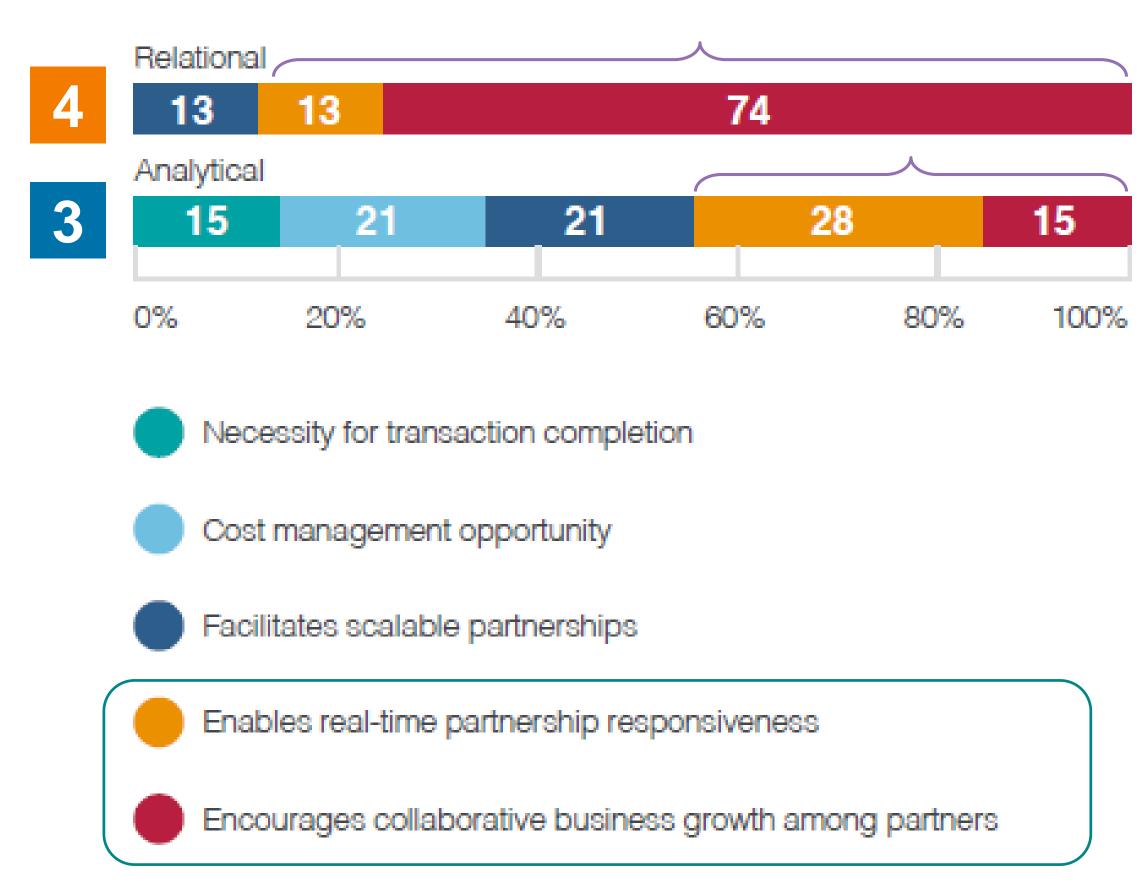


Conduct B2B Integration with your entire trading and customer community; avoid the 'long tail' of the 80/20 rule

Seek Collaborative Relationships

Transform the business justification from 'cost of doing business' to one that encourages innovative and collaborative business growth among partners

What is the business justification for integrated B2B activities?



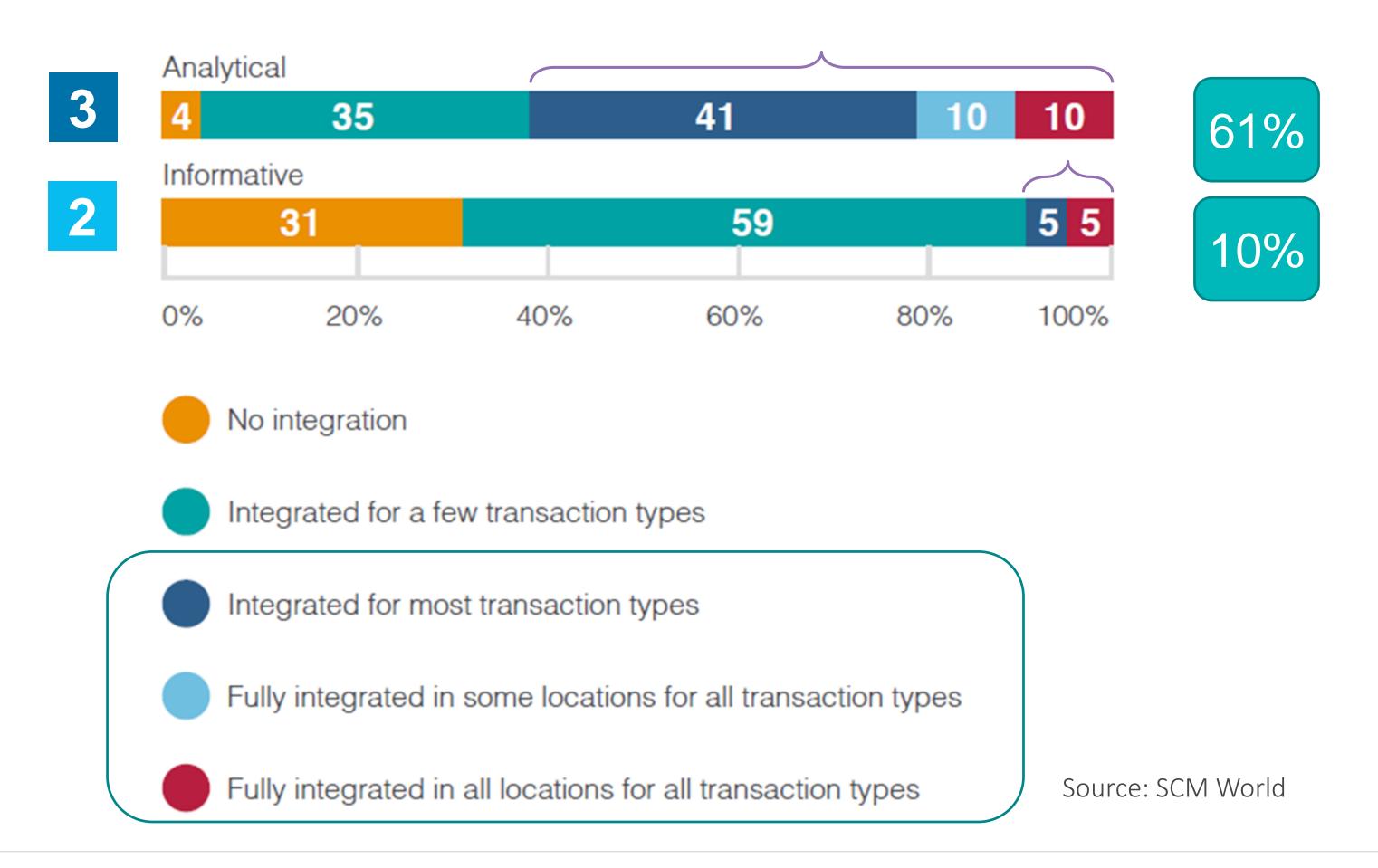
Source: SCM World

87%

43%

Integrate with ERP

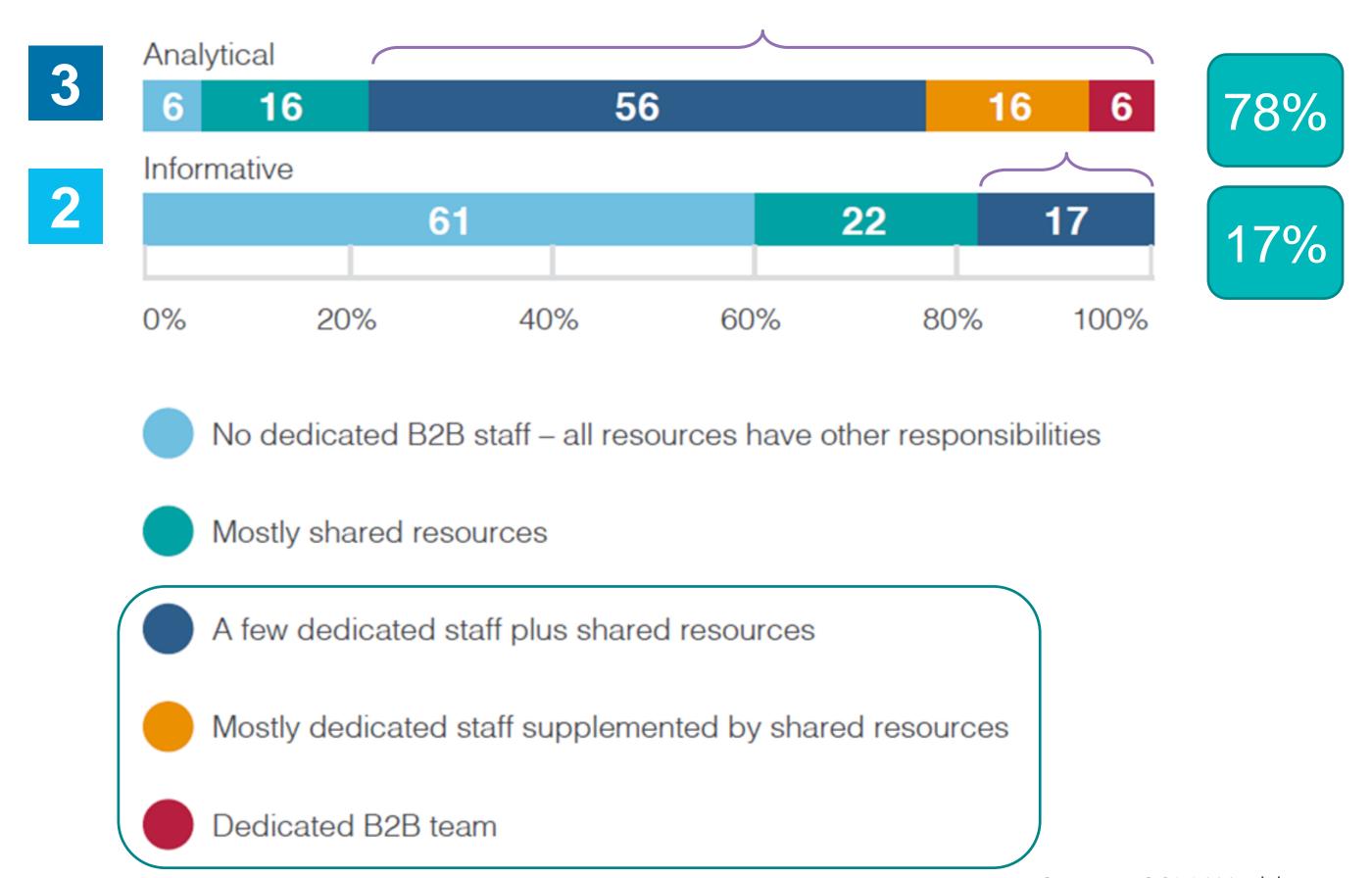
A10 | How is B2B integrated with your ERP system?



Increase transaction types that are exchanged digitally with trading partners, and feed/ extend directly with ERP, WMS, TMS...

Dedicated Staff is Essential

A8 | What is your staffing structure for B2B integration support, including contractors and outsourcers?

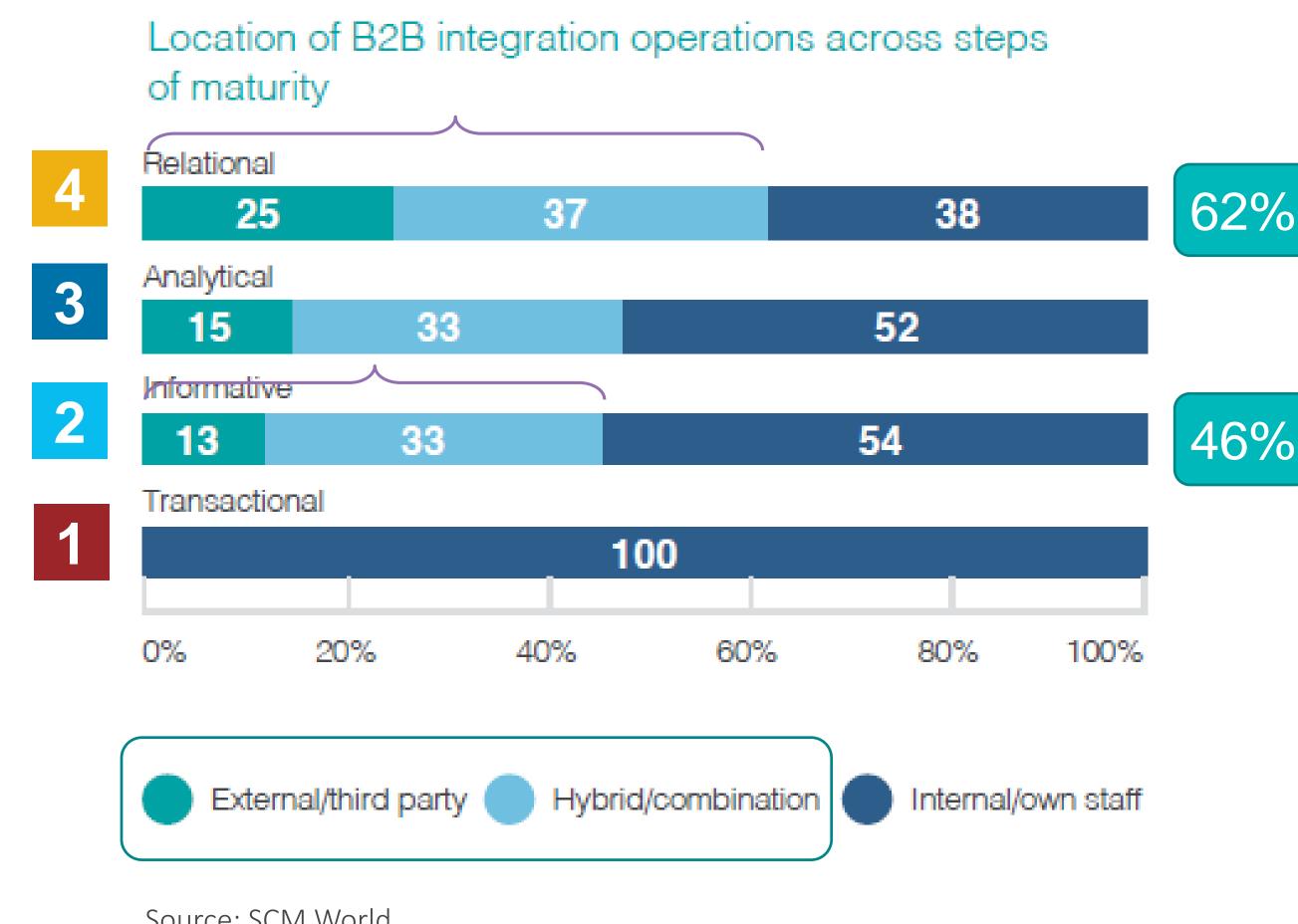


Appoint dedicated staff to B2B integration, while balancing the need to focus on other core business, internal IT priorities

Leverage External Expertise, Infrastructure

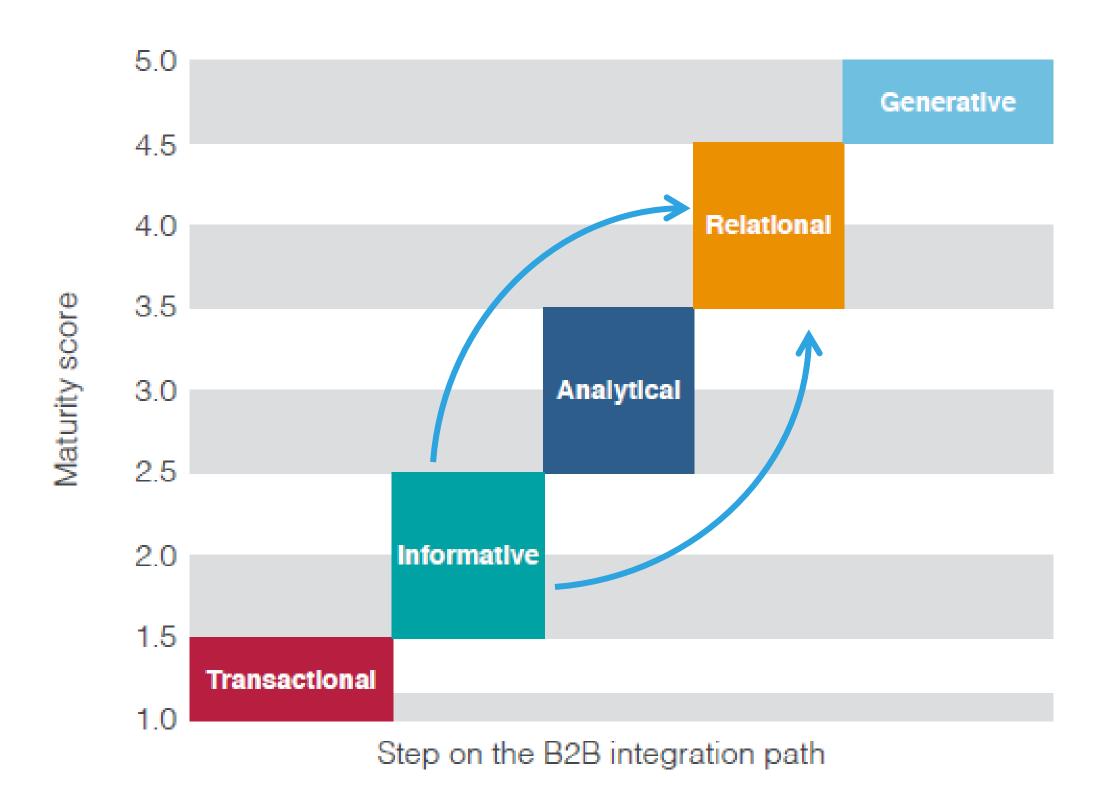
"Outsourcing at least part of your B2B integration operations accelerates the expansion of partners networks, enabling collaborative relationships with other leading companies that drive advancement of all elements in parallel."





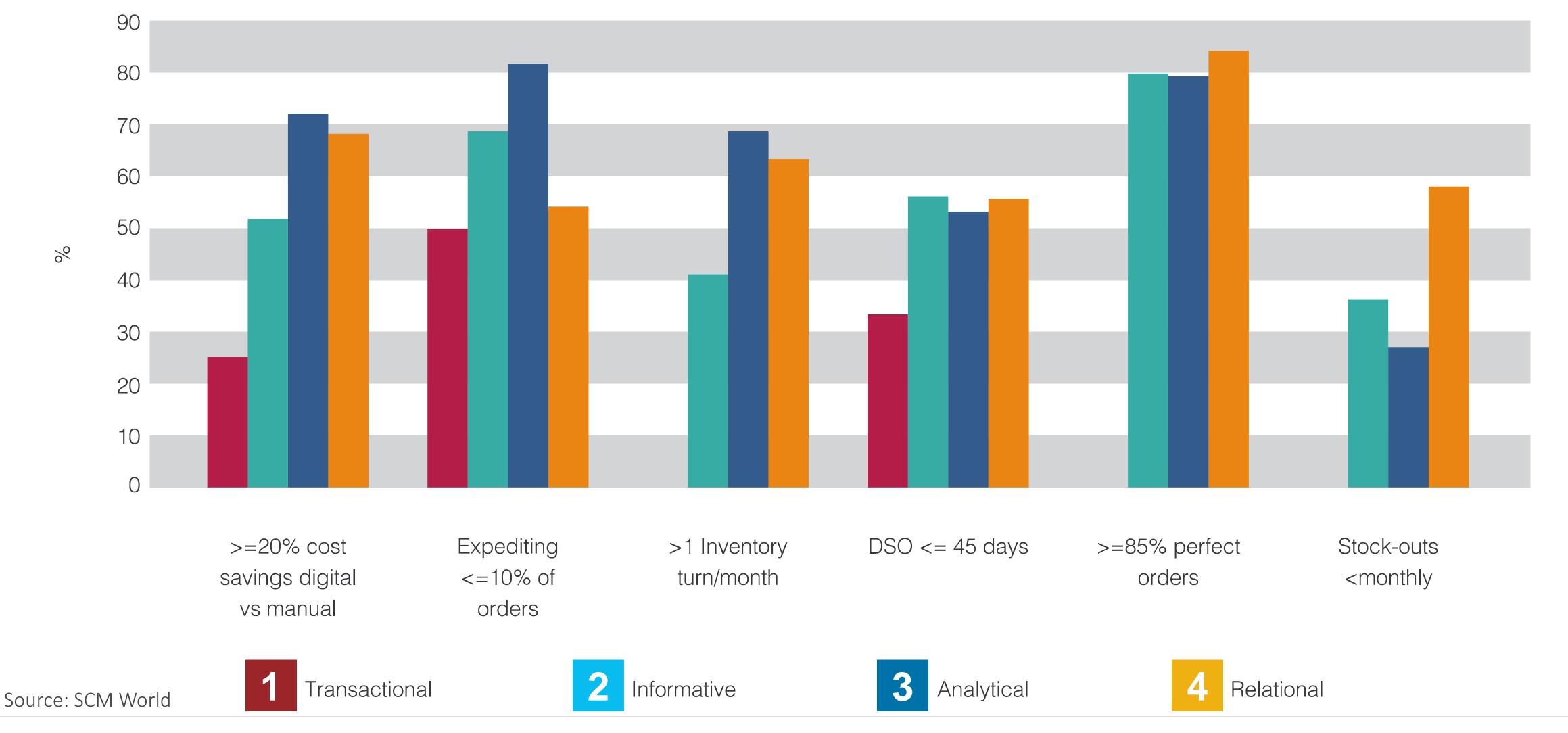
Make the Business Case

Five steps of the B2B integration path



2 Relational Metric Informative 61% < 1/mo. 68% ≥ 2/mo. Inventory turns Days sales 66% > 60 $78\% \le 60$ outstanding Expedited 33% expedite 54% expedite ≥ 10% orders ≤ 5% orders orders Transaction 72% save ≥ baseline 20% processing cost

Performance Improvement with Advancing Maturity

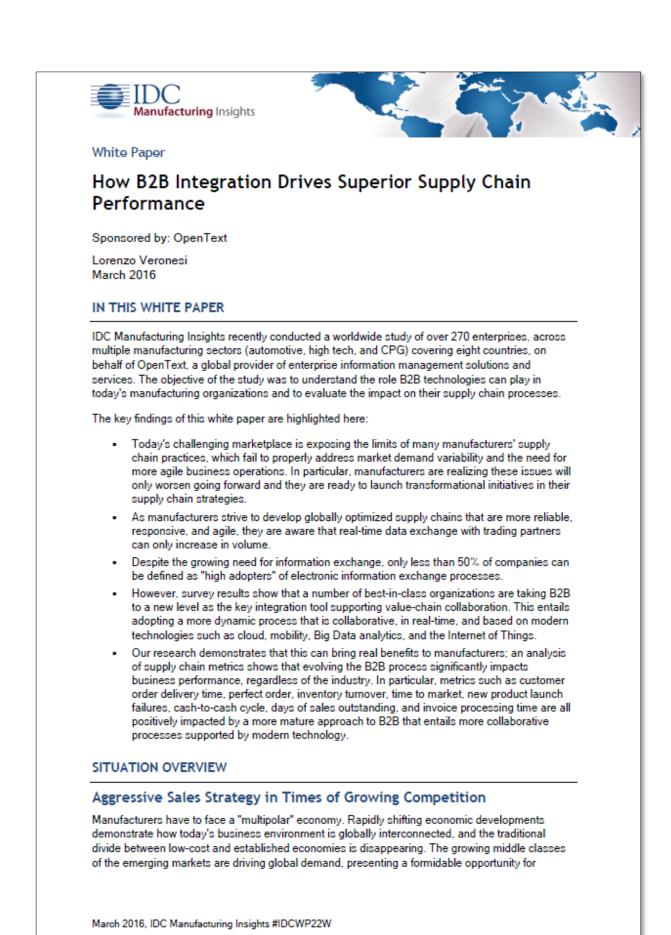


Leader Qualities Across All Industries

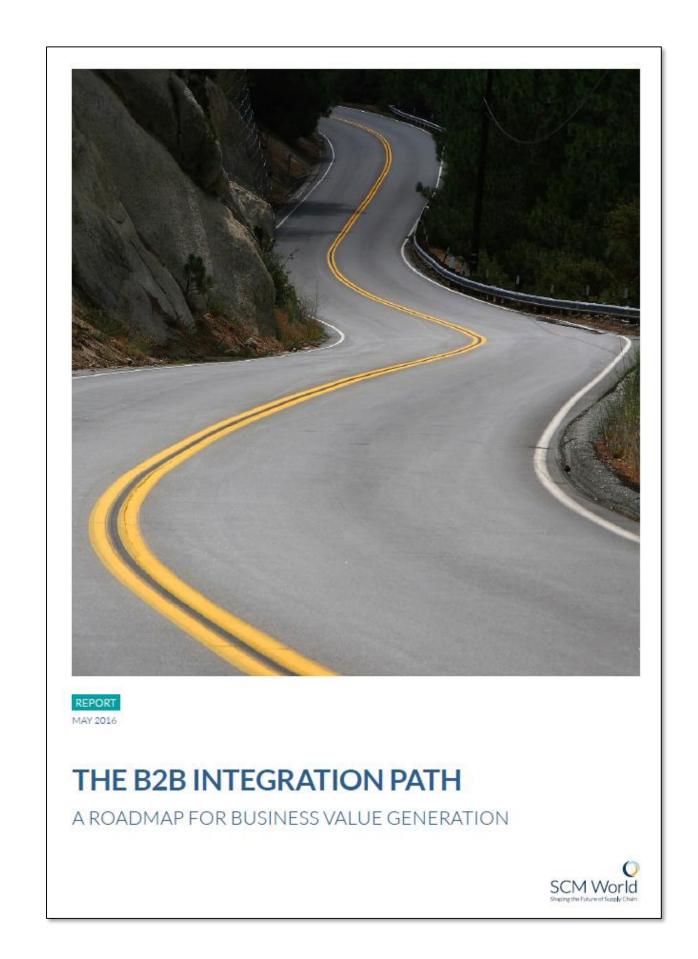
- B2B Integration is conducted via real-time collaboration with trading partners
- More than 70% of all B2B transactions are processed digitally
- Supply chain data is collected and organized via a collaborative network reaching to at least direct customers and suppliers
- Fully integrated processes exist for P2P and/or O2C
- Cross-functional B2B Integration expertise is present within IT and/or the line of business
- Extension of internal IT/LOB teams with 3rd party managed services providers is prevalent



Get the research



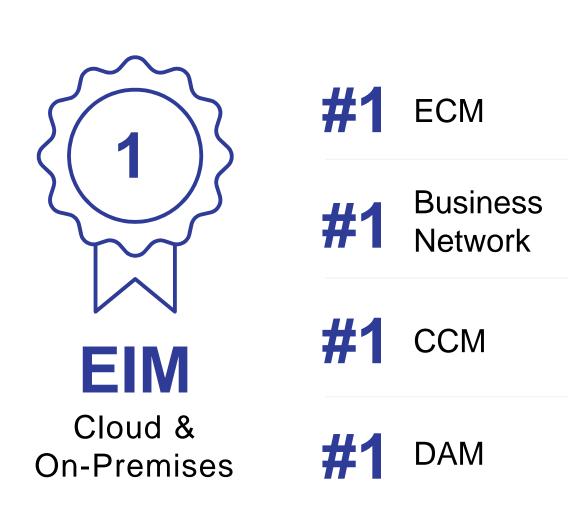
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http://www.opentext.com/campaigns/b2bmanaged services/evolve



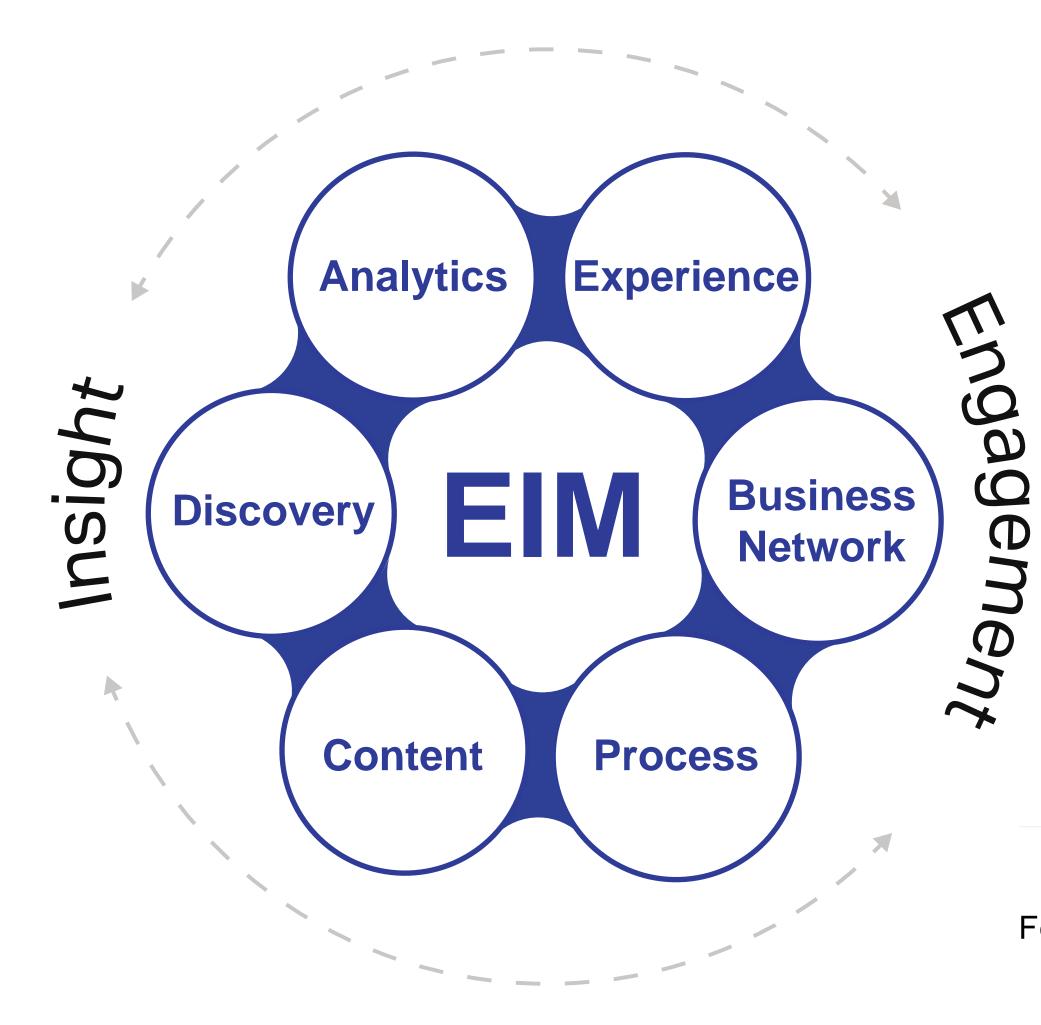
OpenText corporate profile







Managed Services



12,000

Employees

25 years

of innovation

\$2.3B

FY17 Revenue

1,200 **Partners**

100,000+ Customers

90% of Fortune 1000 companies

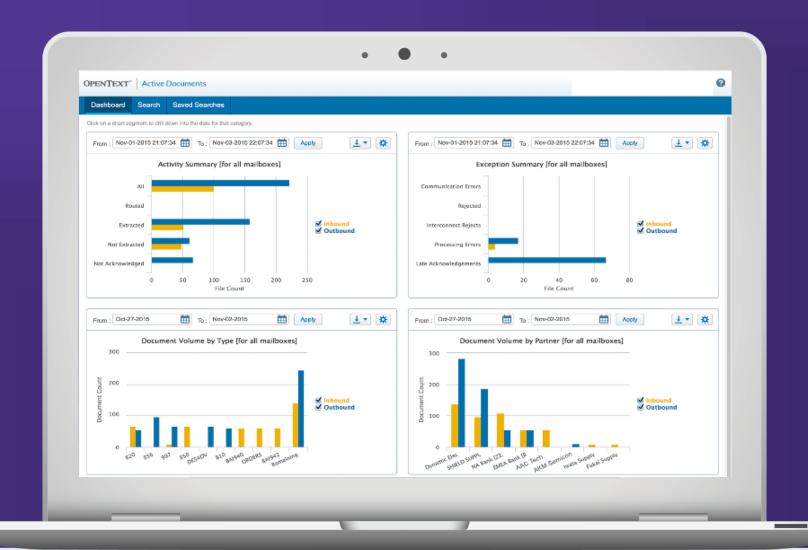
On-Premises

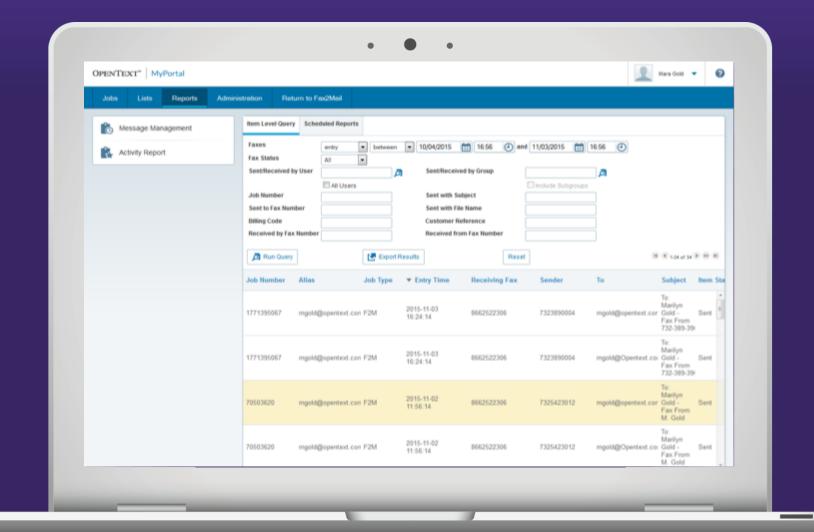
Hybrid

Cloud

opentext[™] Business Network

OpenText Business Network provides a single connection for secure information flow that simplifies inherent complexities in customer and supplier ecosystems, to deliver insight, drive business efficiencies, and speed time to revenue





A History of Leadership



























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The OpenText Business Network



\$7 TRILLION TRANSACTION VALUE



22/25 WORLD-CLASS SUPPLY CHAINS



600,000 BUSINESSES CONNECTED



65K CUSTOMERS



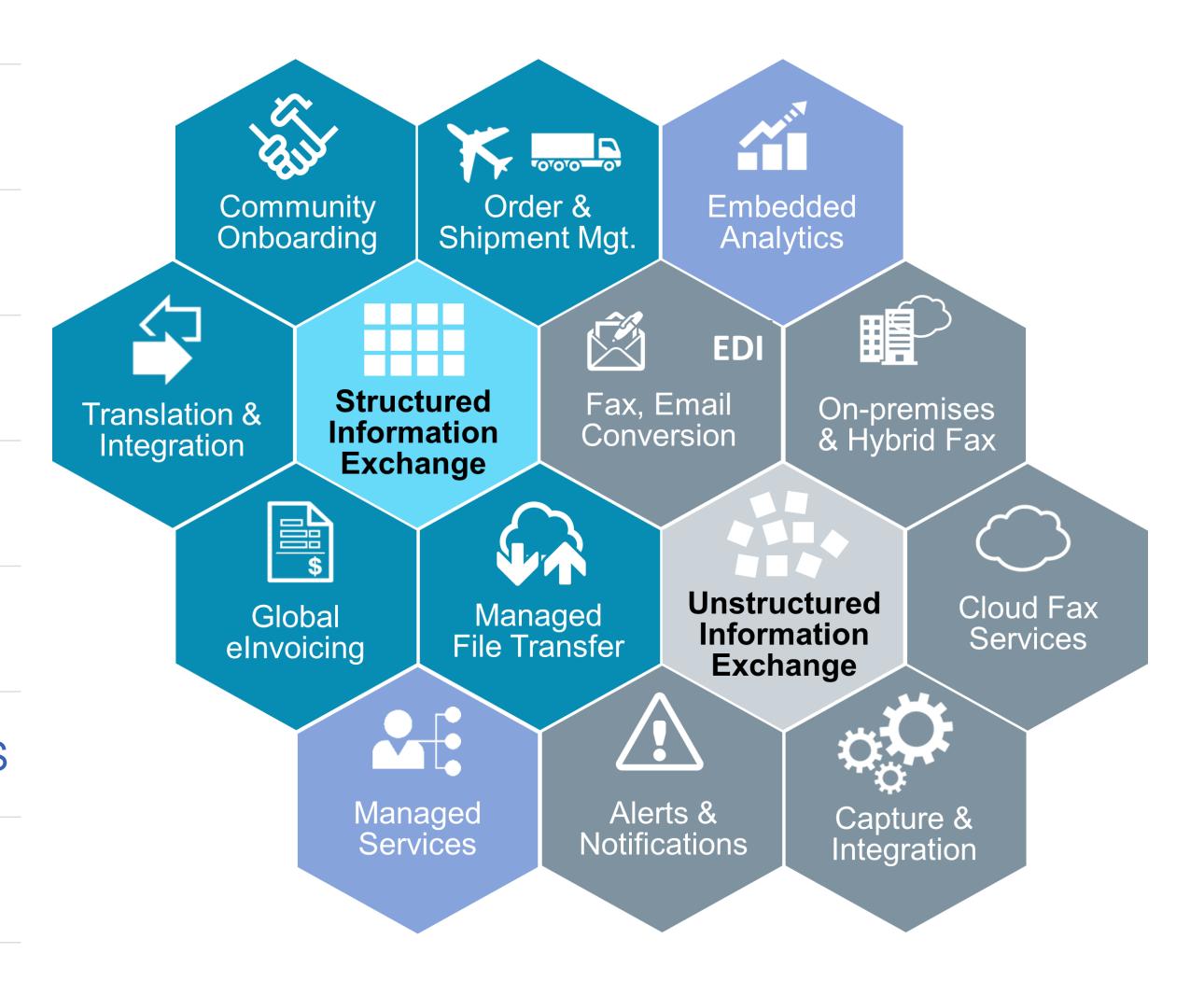
COUNTRIES WITH DIRECT OPERATIONS



20 BILLION B2B TRANSACTIONS



2 BILLION FAXES



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