



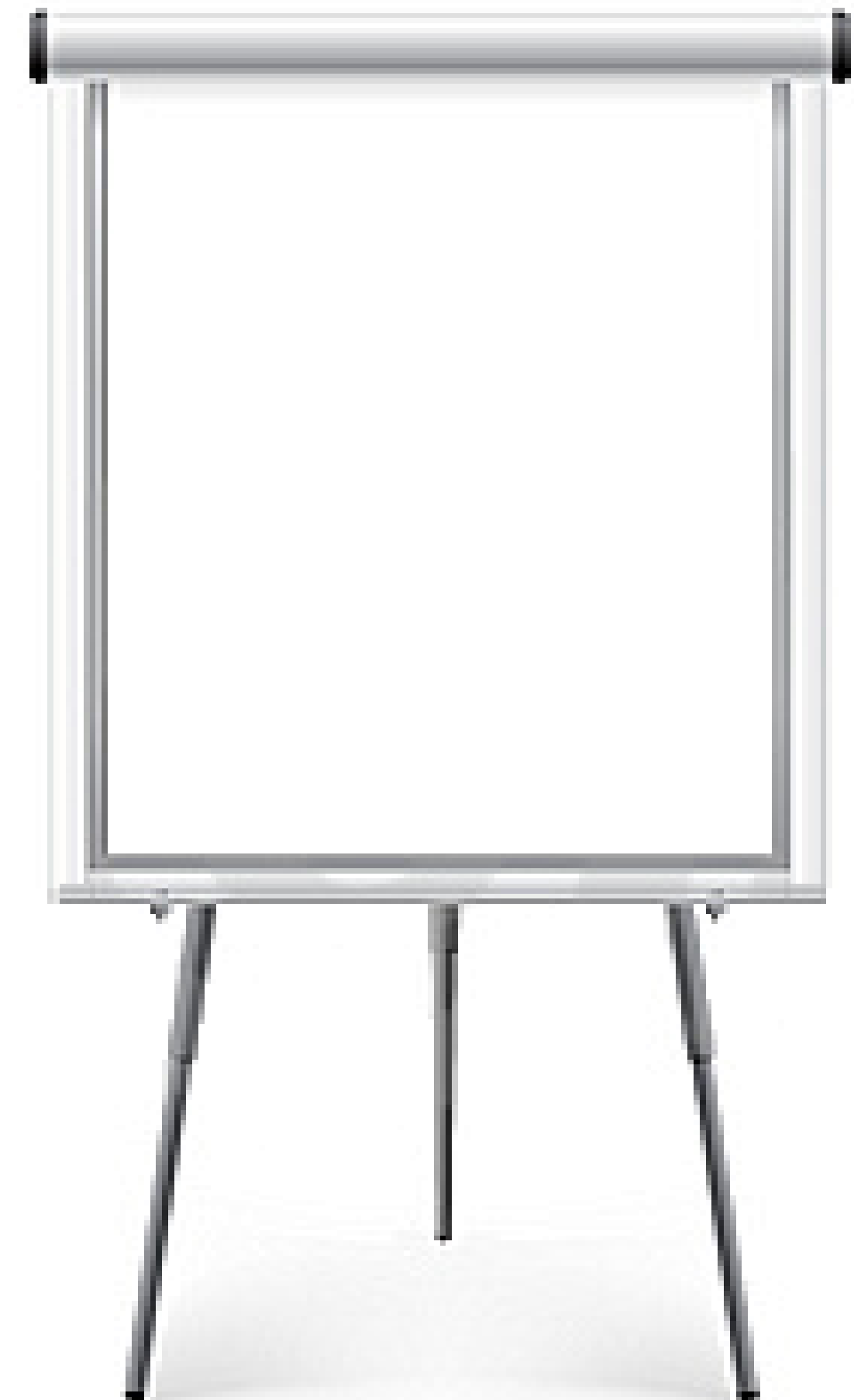
Developing Your B2B Integration Program for Measurable Gain

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October 12, 2017

Agenda

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



The Business Impact of B2B Integration

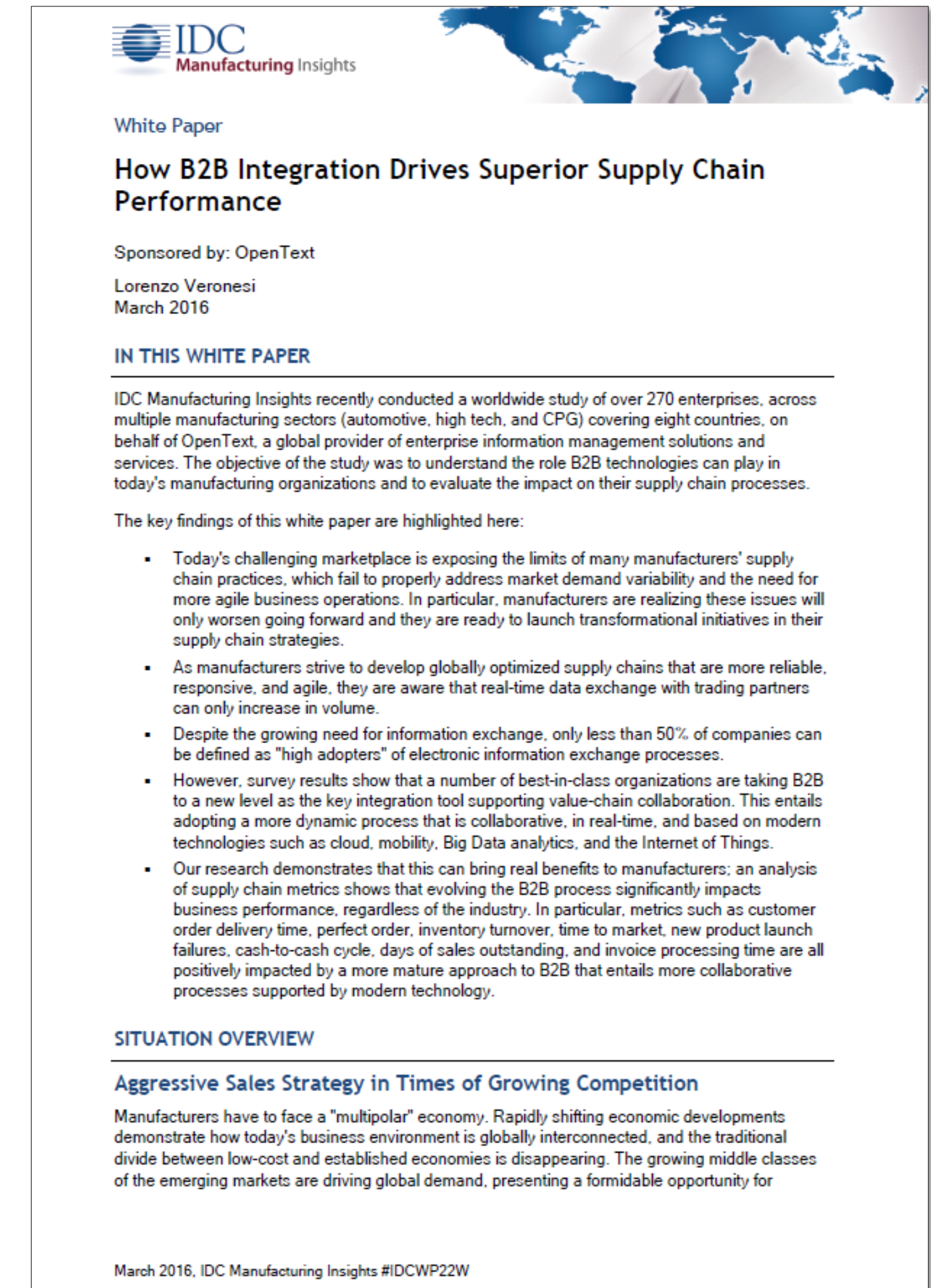
Today's Supply Chain & Integration Challenges

- 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



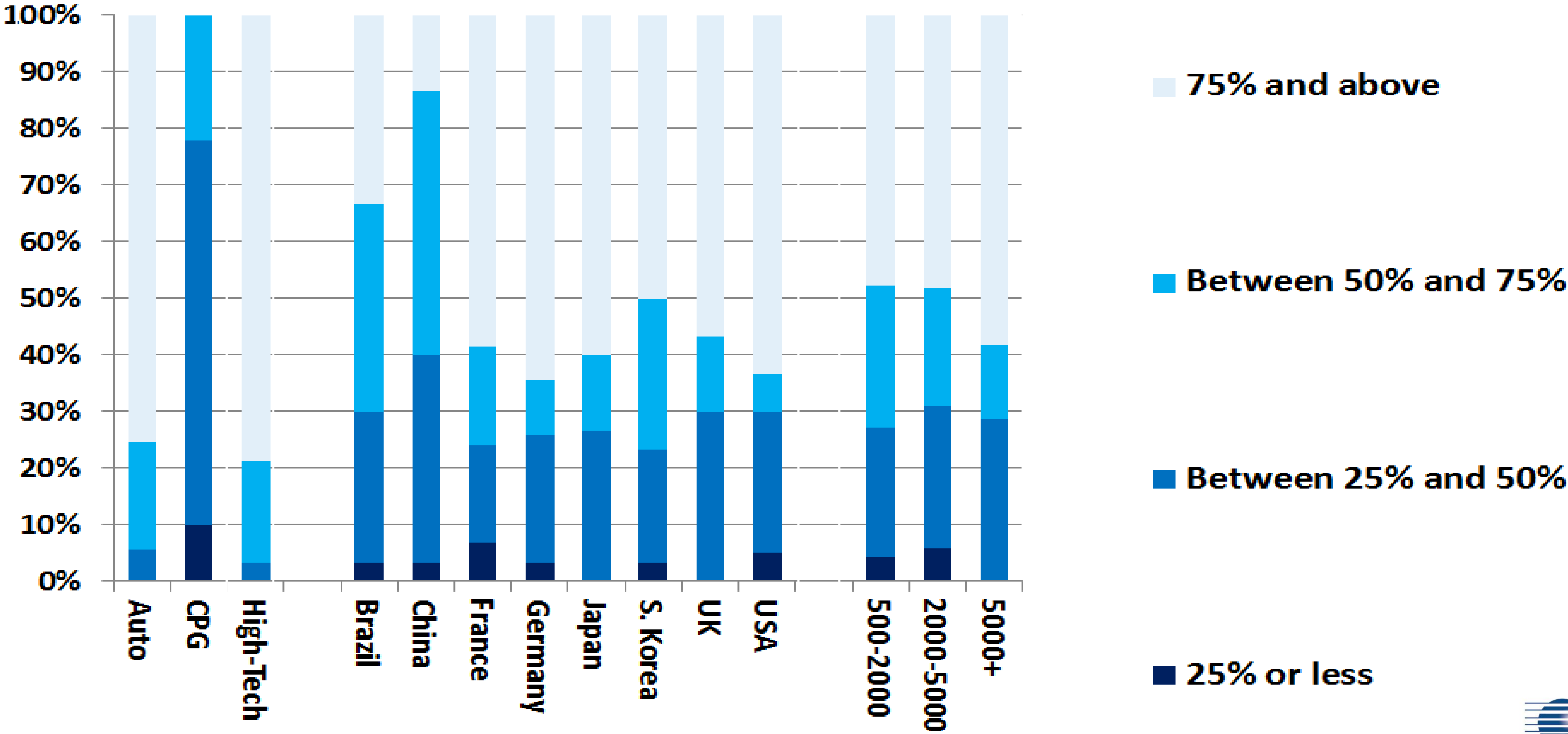
Can B2B Integration Improve Supply Chain Performance?

- 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



Level of B2B Integration

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

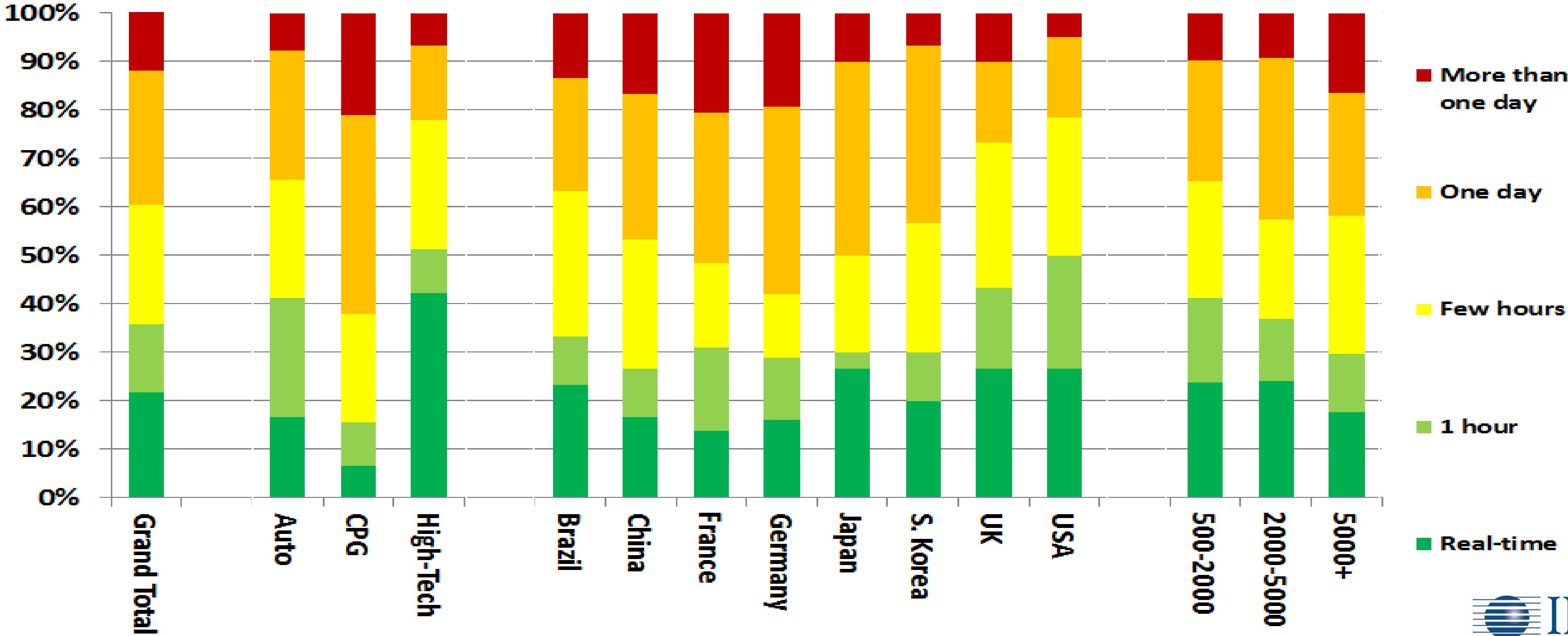


Key Performance Metrics Measured

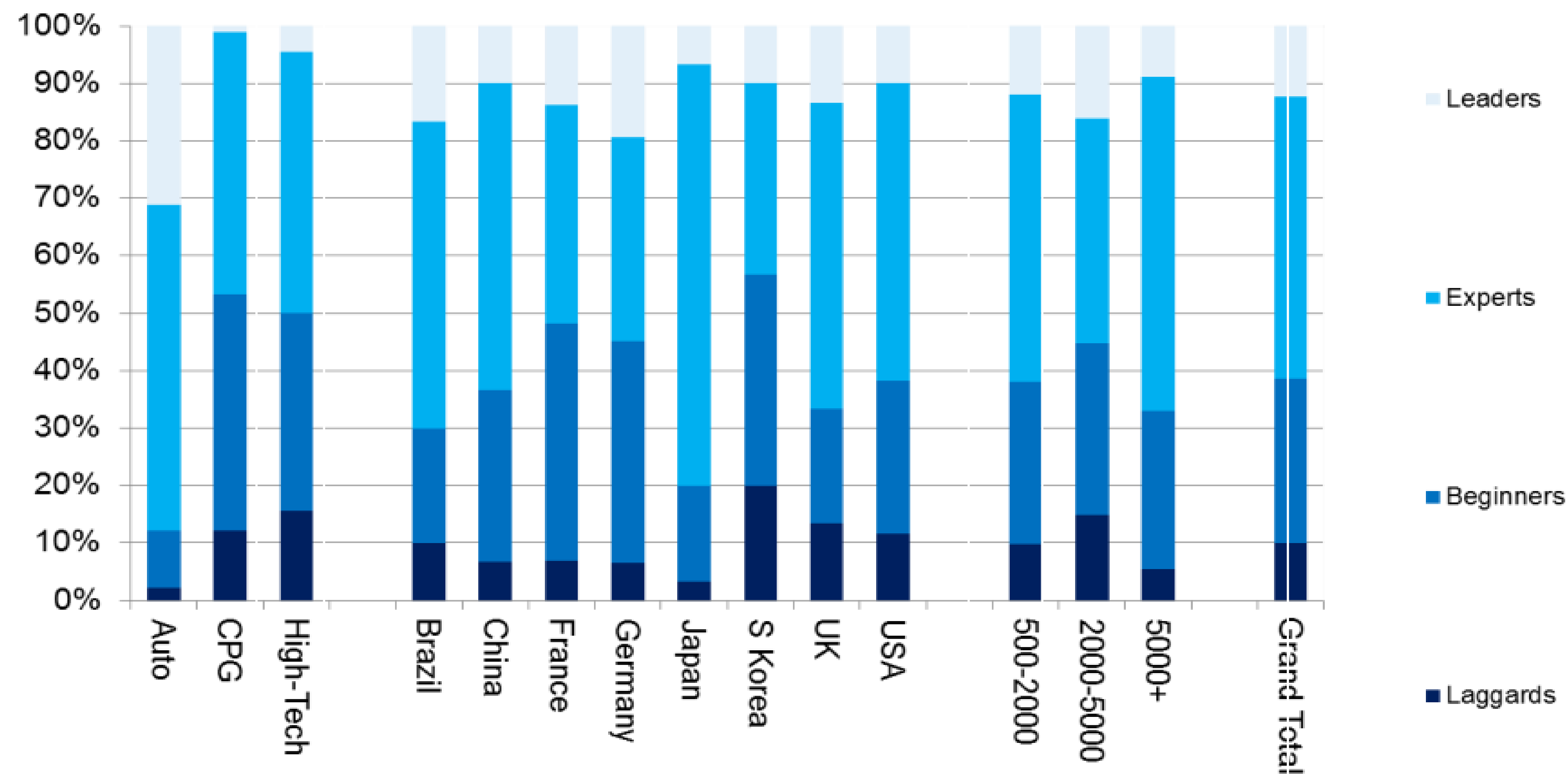
- Average customer **order delivery time** in days
 - **Average delay** in days to respond to an internal or external unforeseen event impacting customer orders
 - Share of **perfect orders** delivered (in full, on time, right price, in perfect condition)
 - Monthly **inventory turns** (number of times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

+48% *Improvement in customer order delivery time*

+35% *Faster inventory turns*

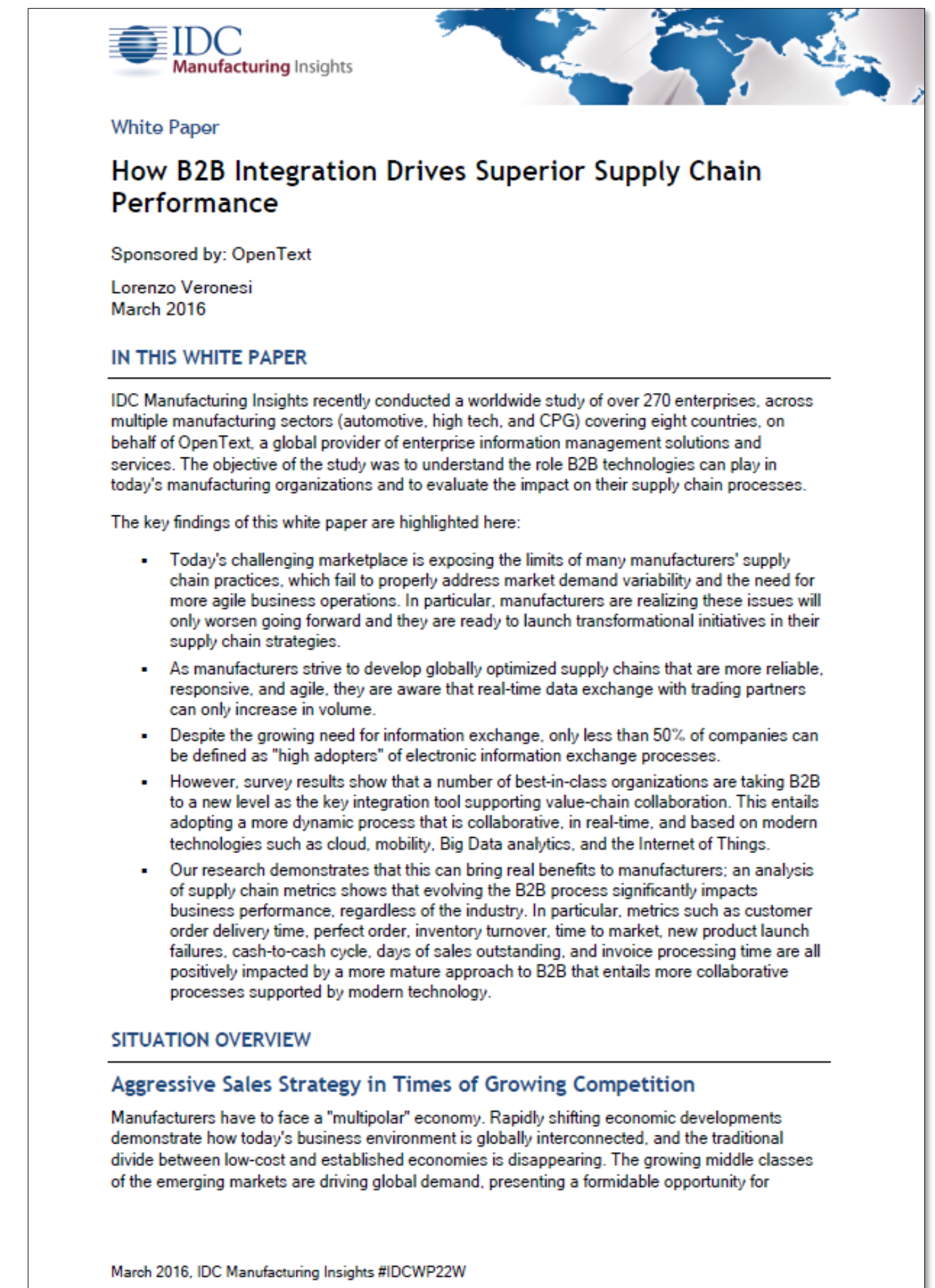
+22% *Reduction in cash to cash cycle time*

+16% *Improvement in successful product launches*

+3% *Improvement in perfect orders*

B2B Integration Can Improve Supply Chain Performance....

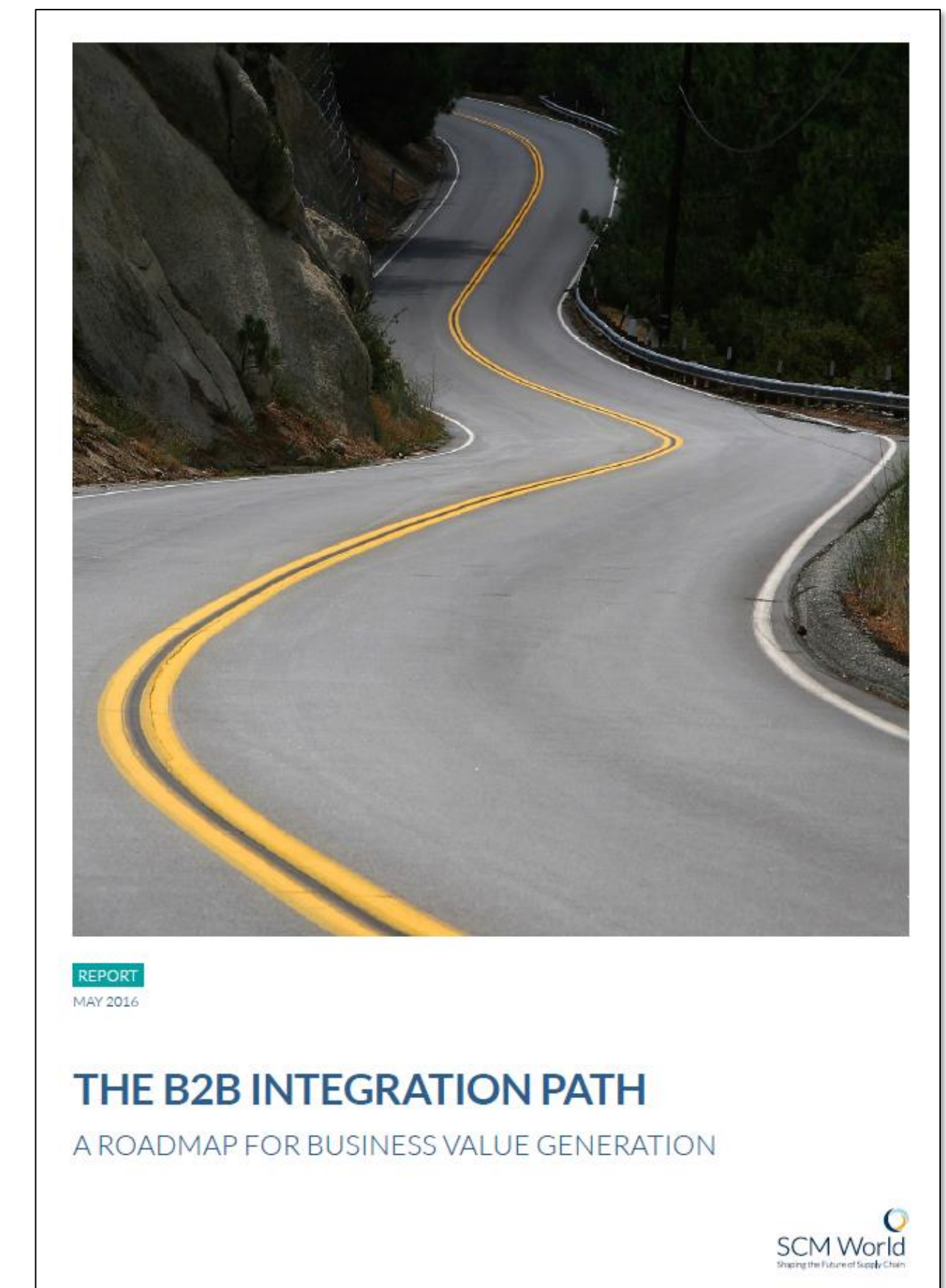
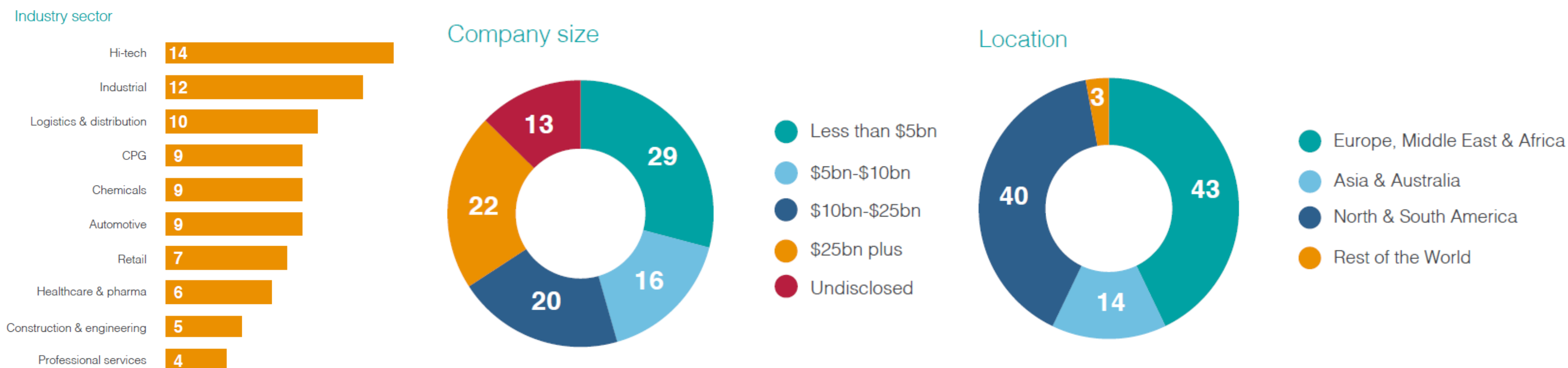
- The study demonstrates that *there is a clear correlation between having a pervasive, more modern and collaborative B2B commerce platform in place and being a leader in supply chain performance*
- **12%** of respondents were regarded as leaders in how they deployed synchronous, collaborative technologies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



How to Get There: Maturing Your B2B Integration Program

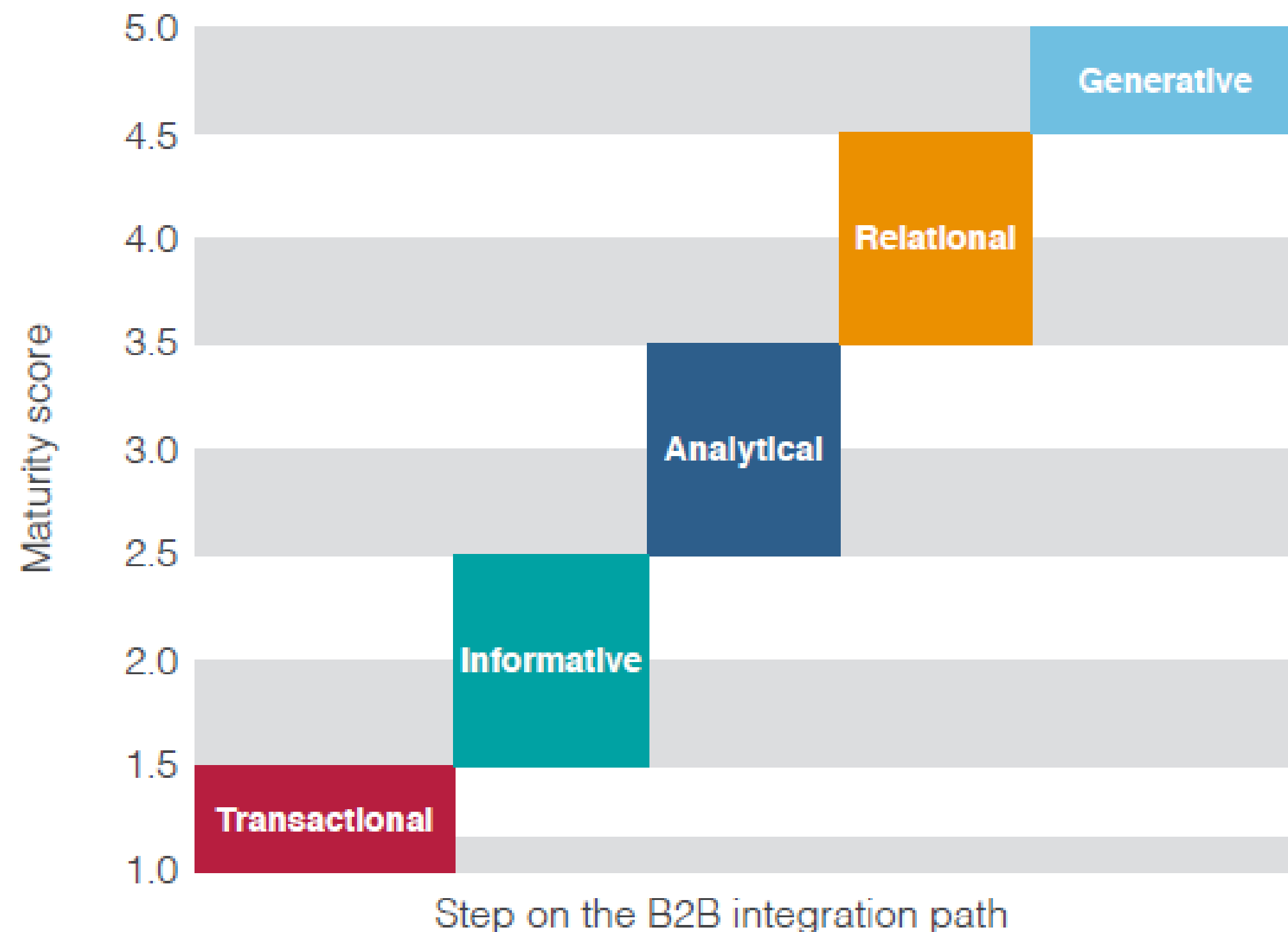
The Path to B2B Integration Maturity

- 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

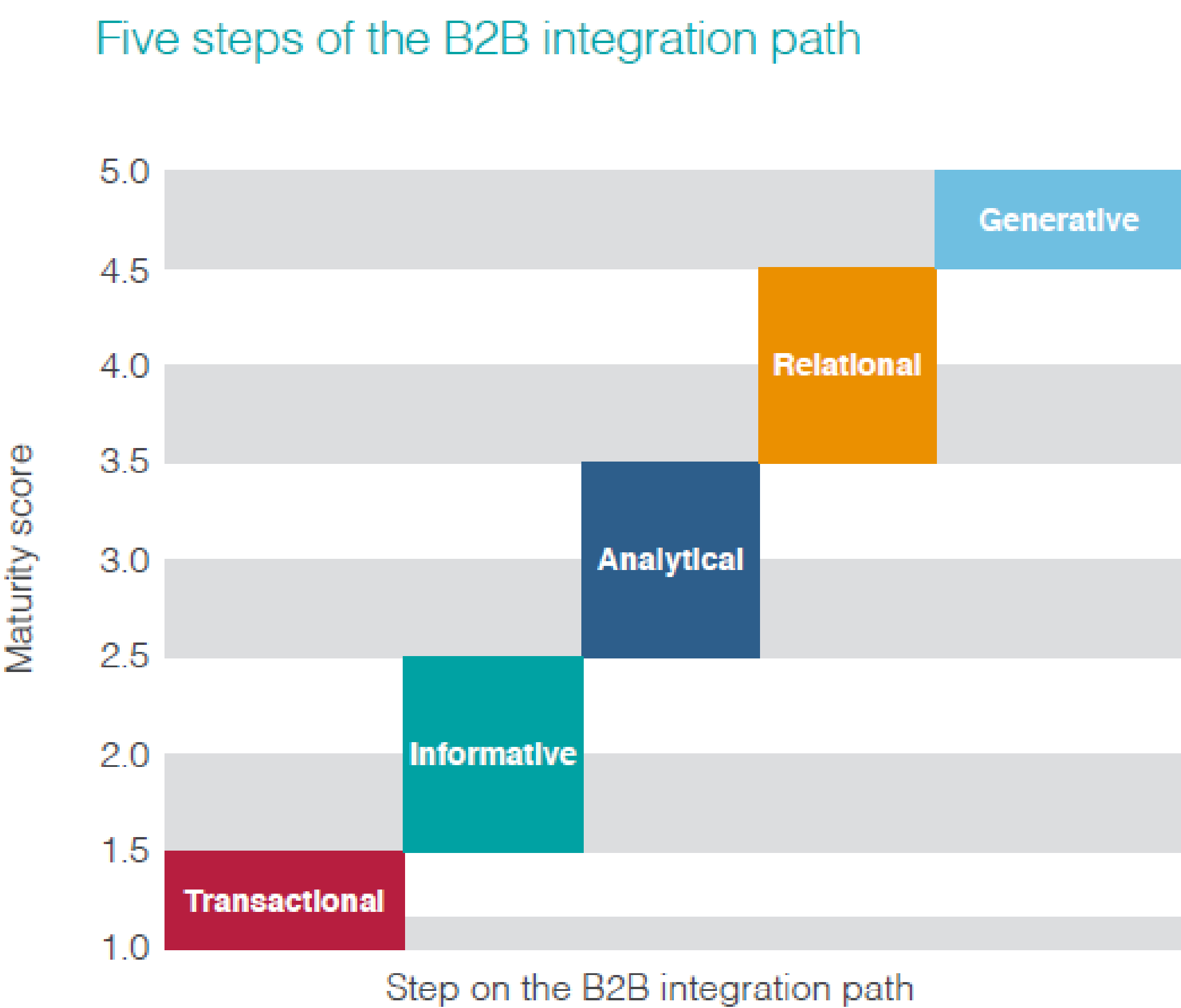
Five steps of the B2B integration path



Source: SCM World

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

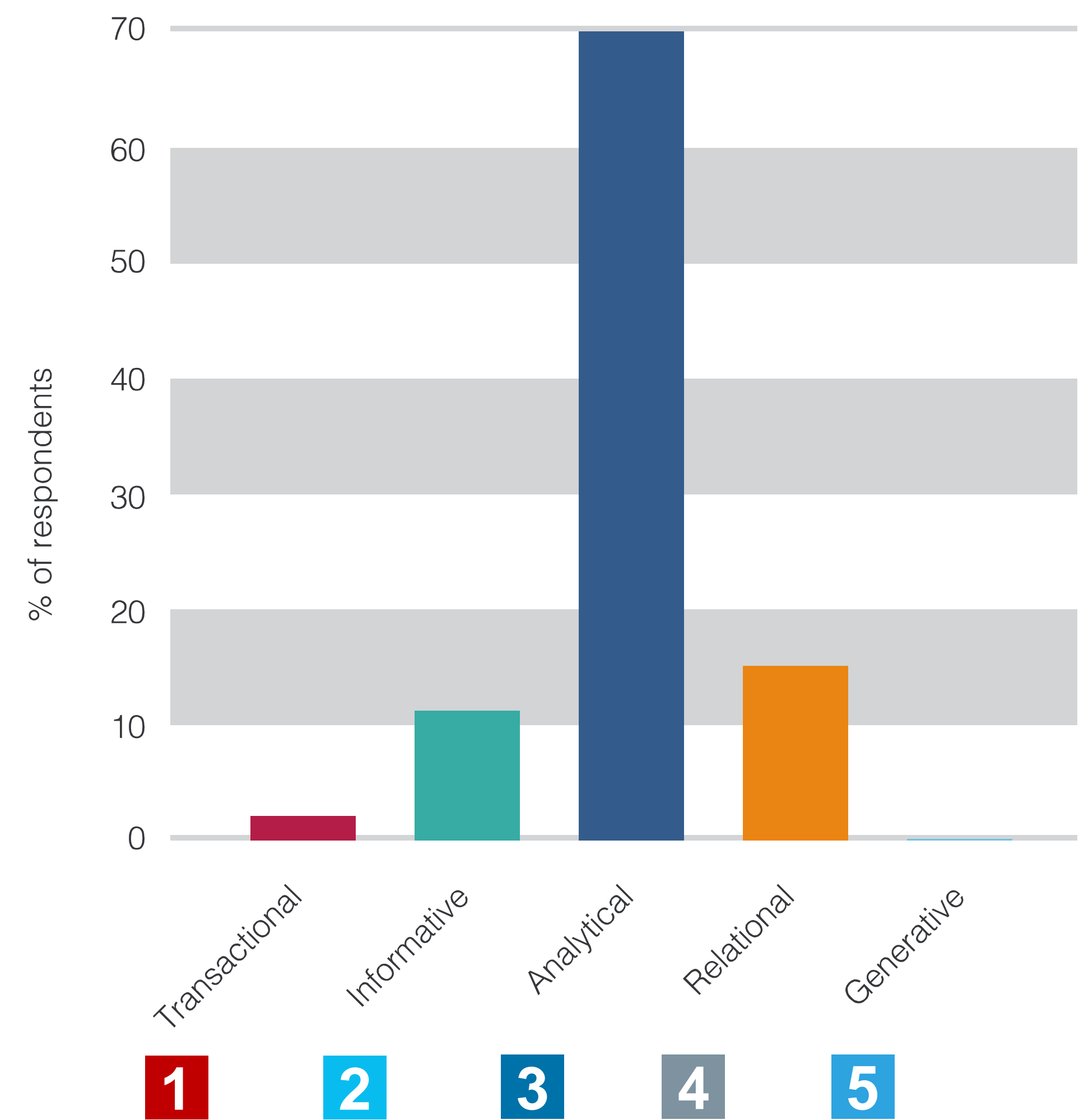
A Roadmap for Improvement



Source: SCM World

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

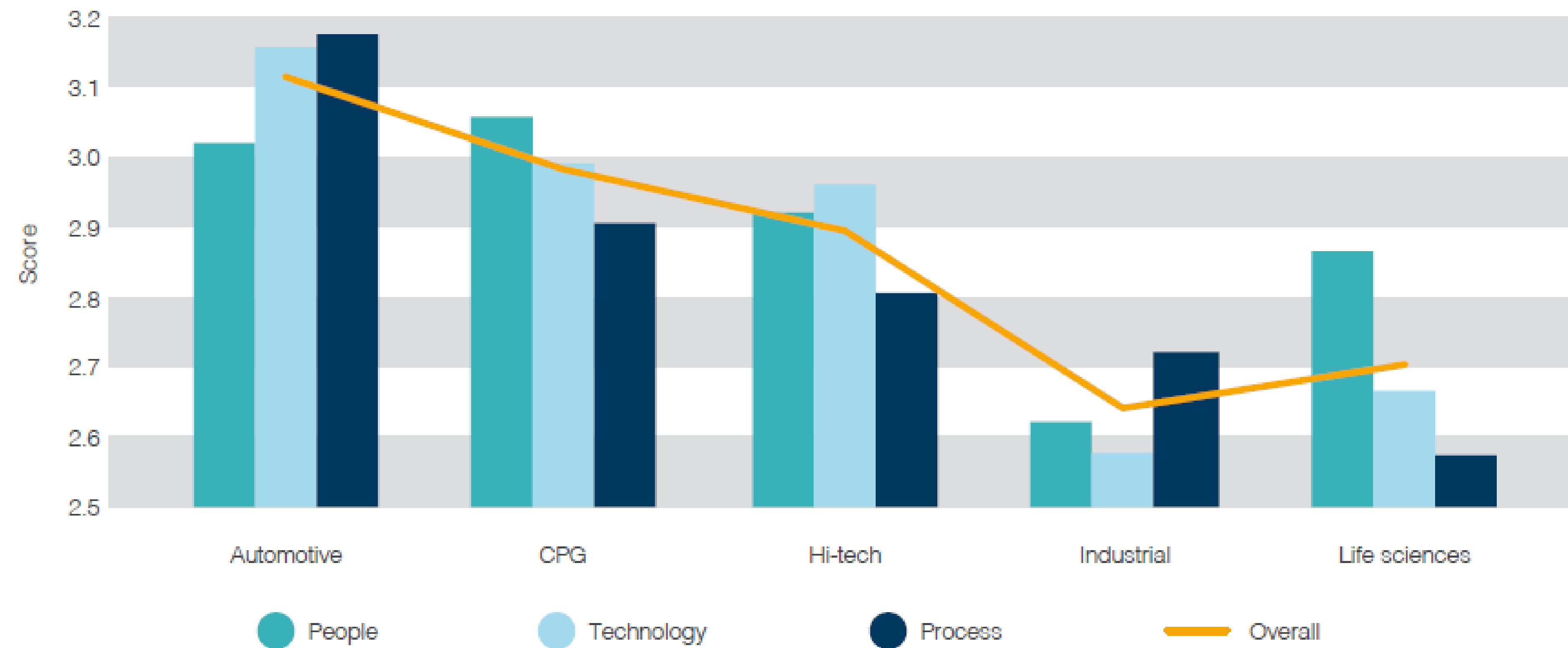
Distribution of Overall Responses for Each Step



Source: SCM World

Industry Performance

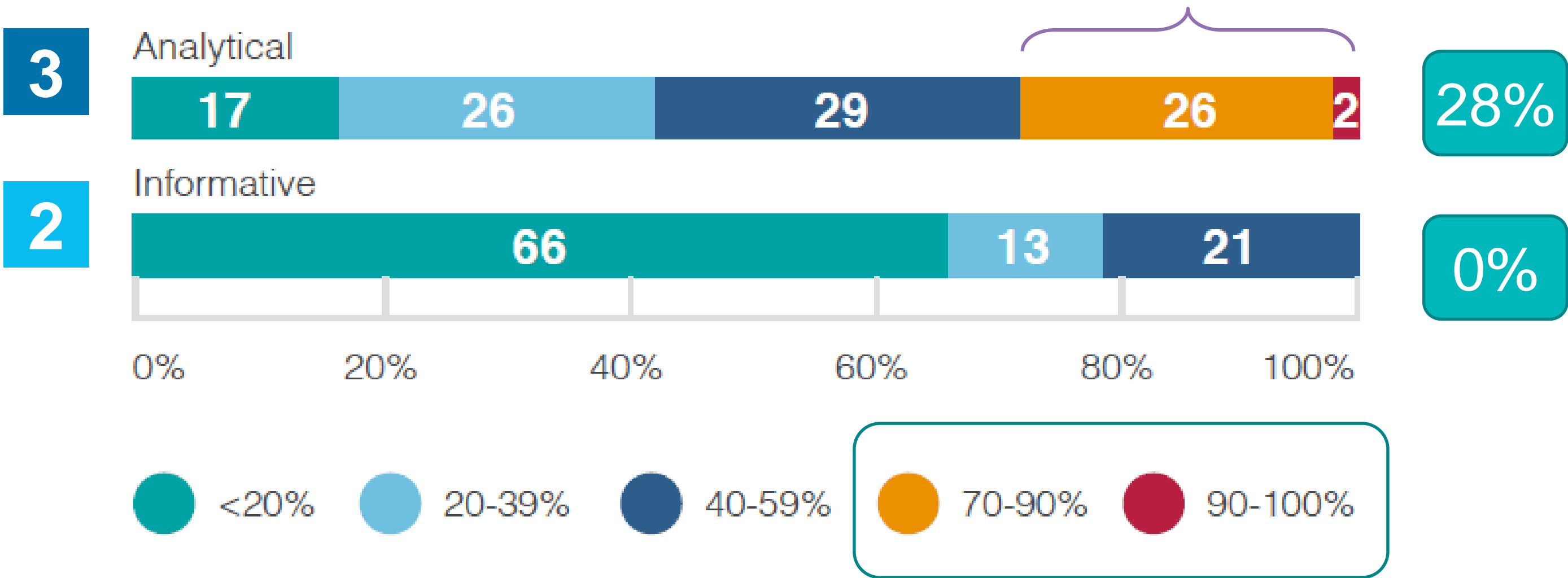
Progress on the B2B integration path in five key industries



Source: SCM World

Connect Digitally with More Trading Partners

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

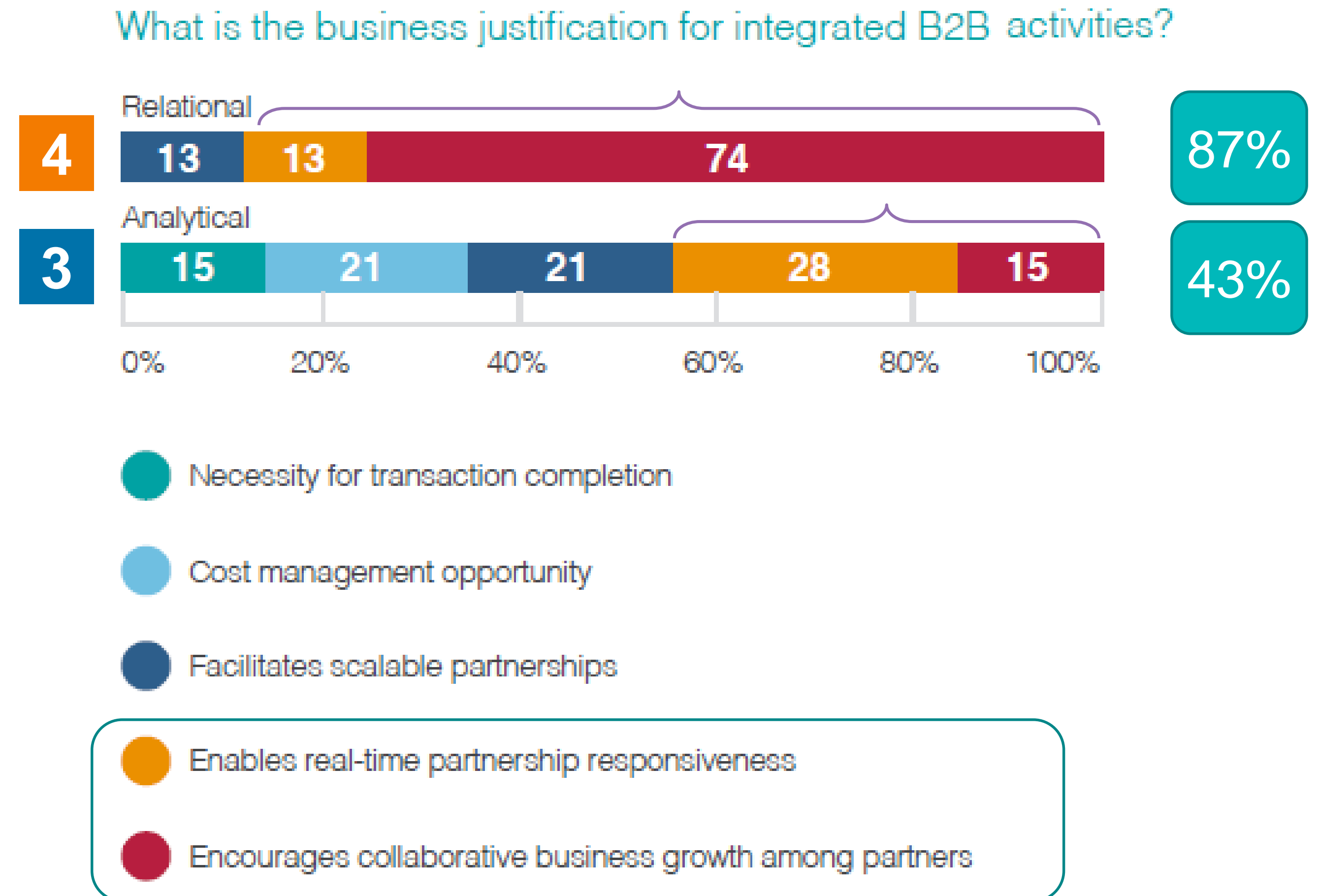


Source: SCM World

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

Seek Collaborative Relationships

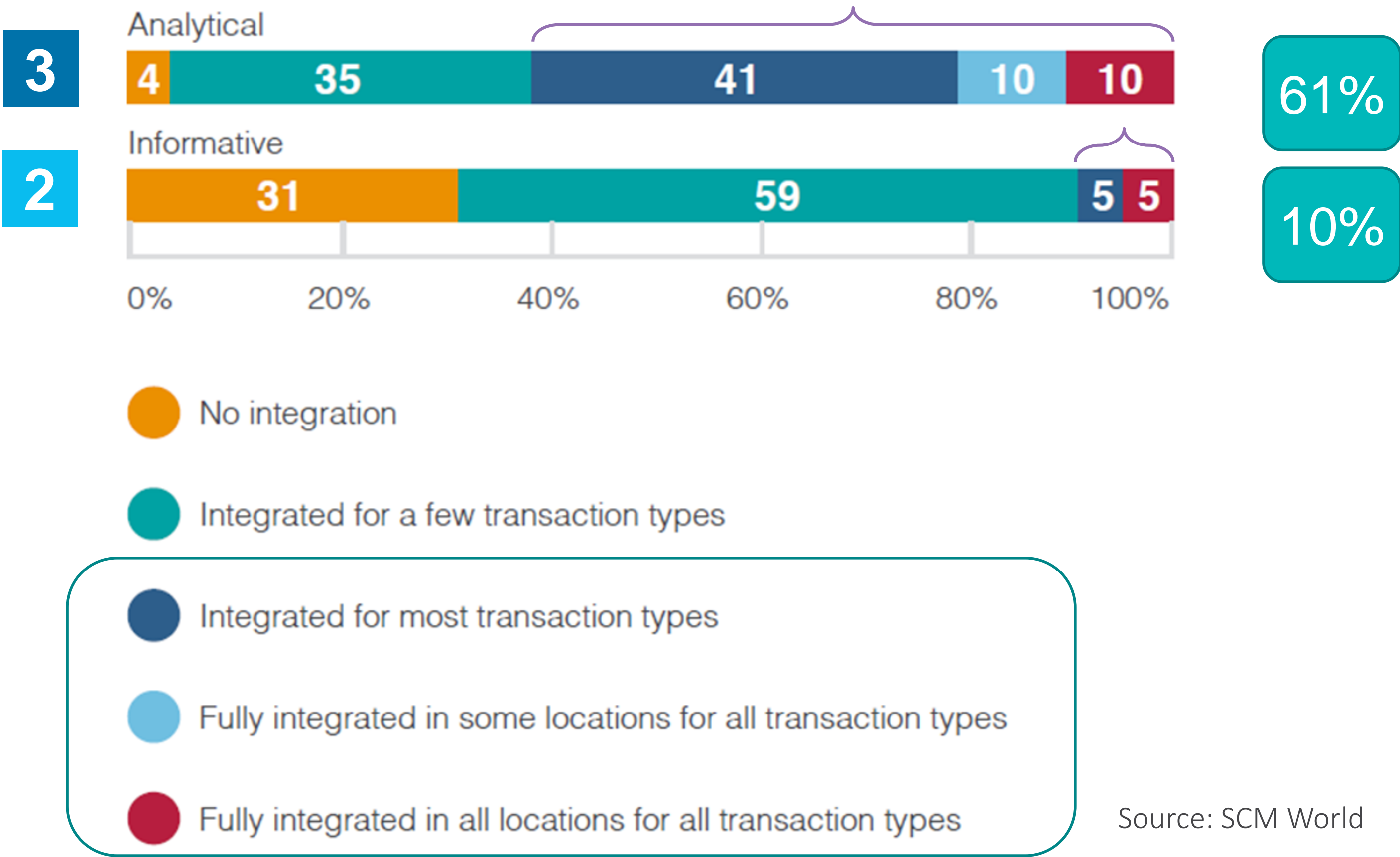
Transform the business justification from 'cost of doing business' to one that encourages innovative and collaborative business growth among partners



Source: SCM World

Integrate with ERP

A10 | How is B2B integrated with your ERP system?

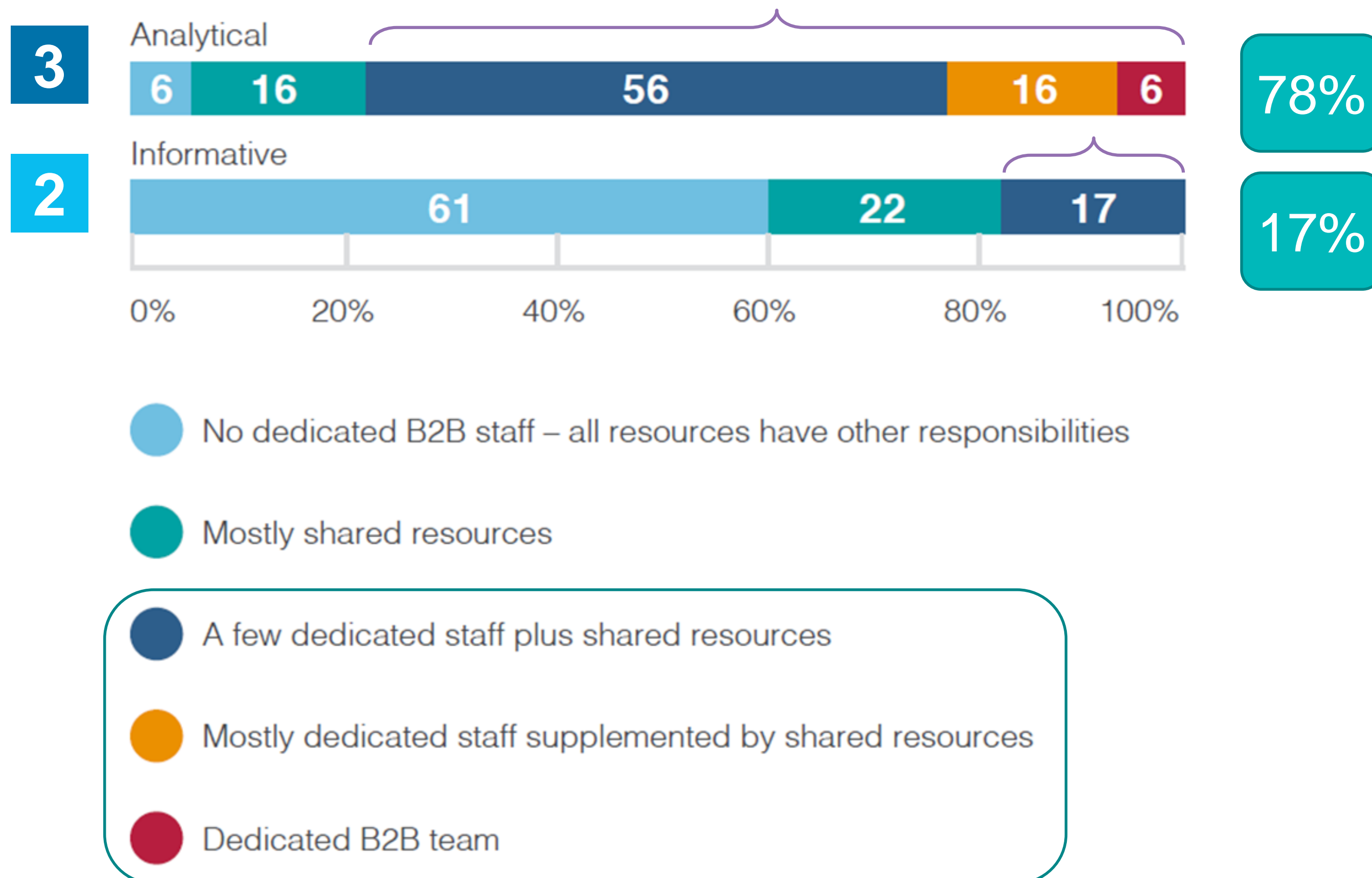


Source: SCM World

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?

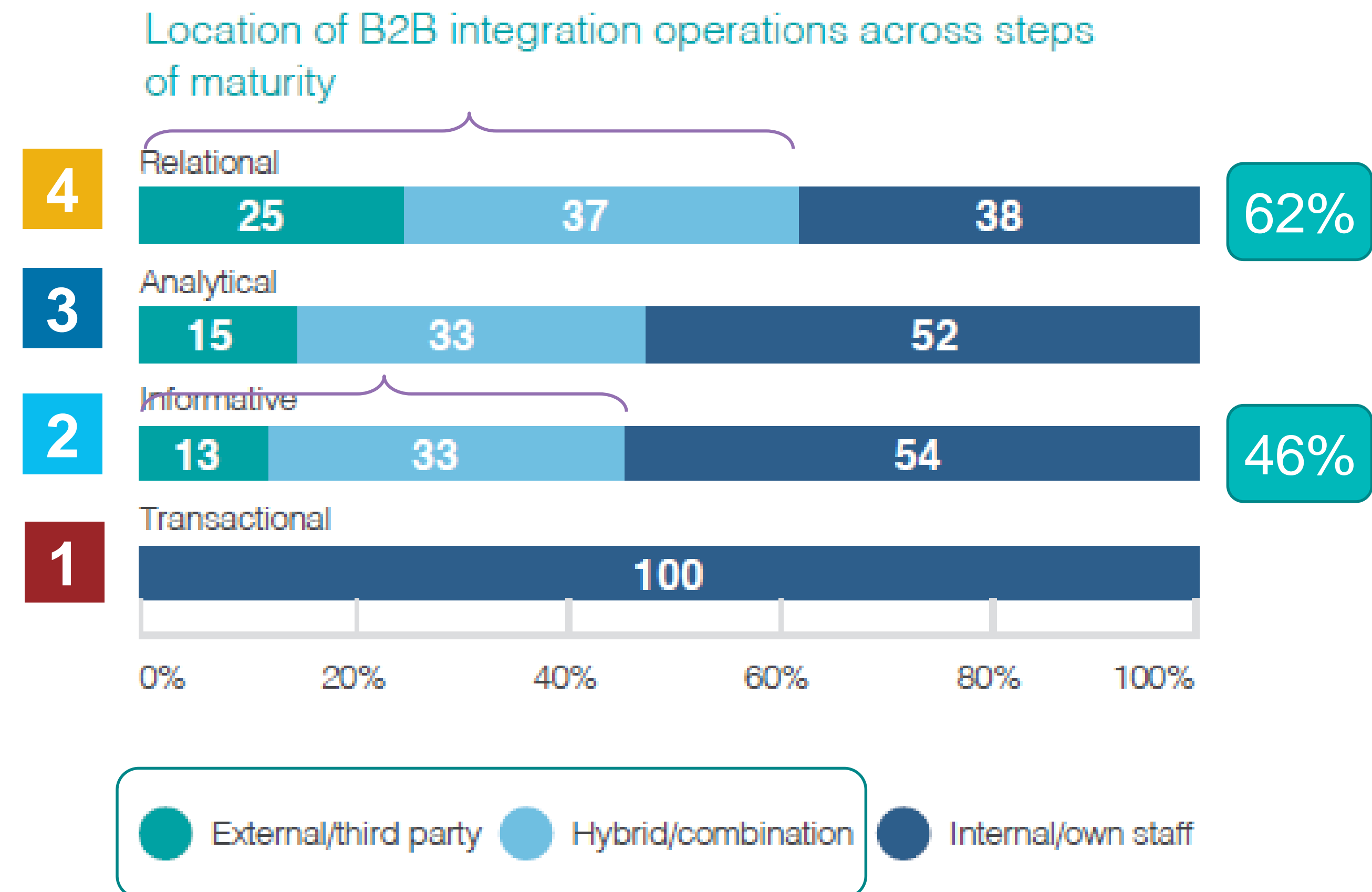


Appoint dedicated staff to B2B integration, while balancing the need to focus on other core business, internal IT priorities

Source: SCM World

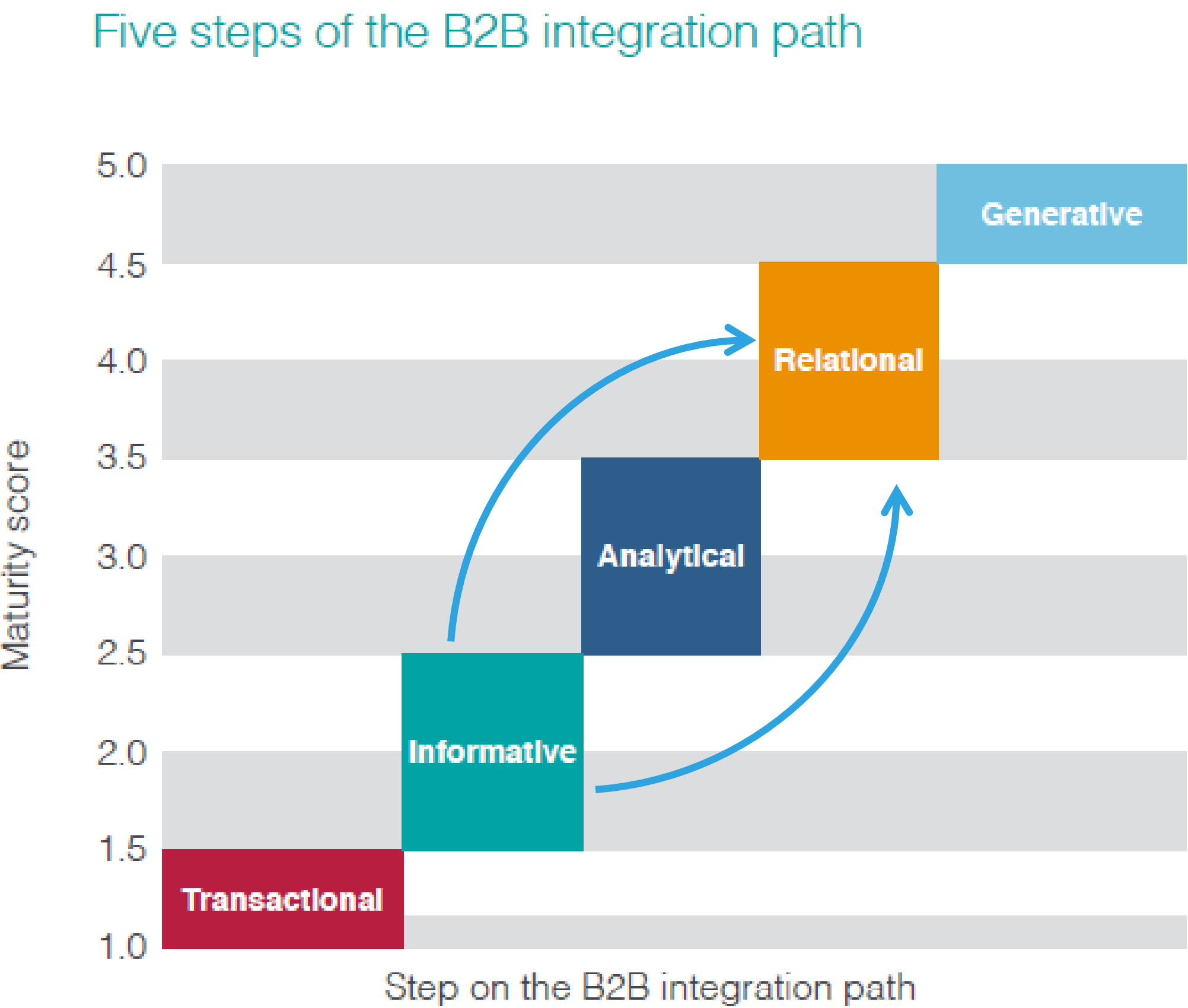
Leverage External Expertise, Infrastructure

“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.”



Source: SCM World

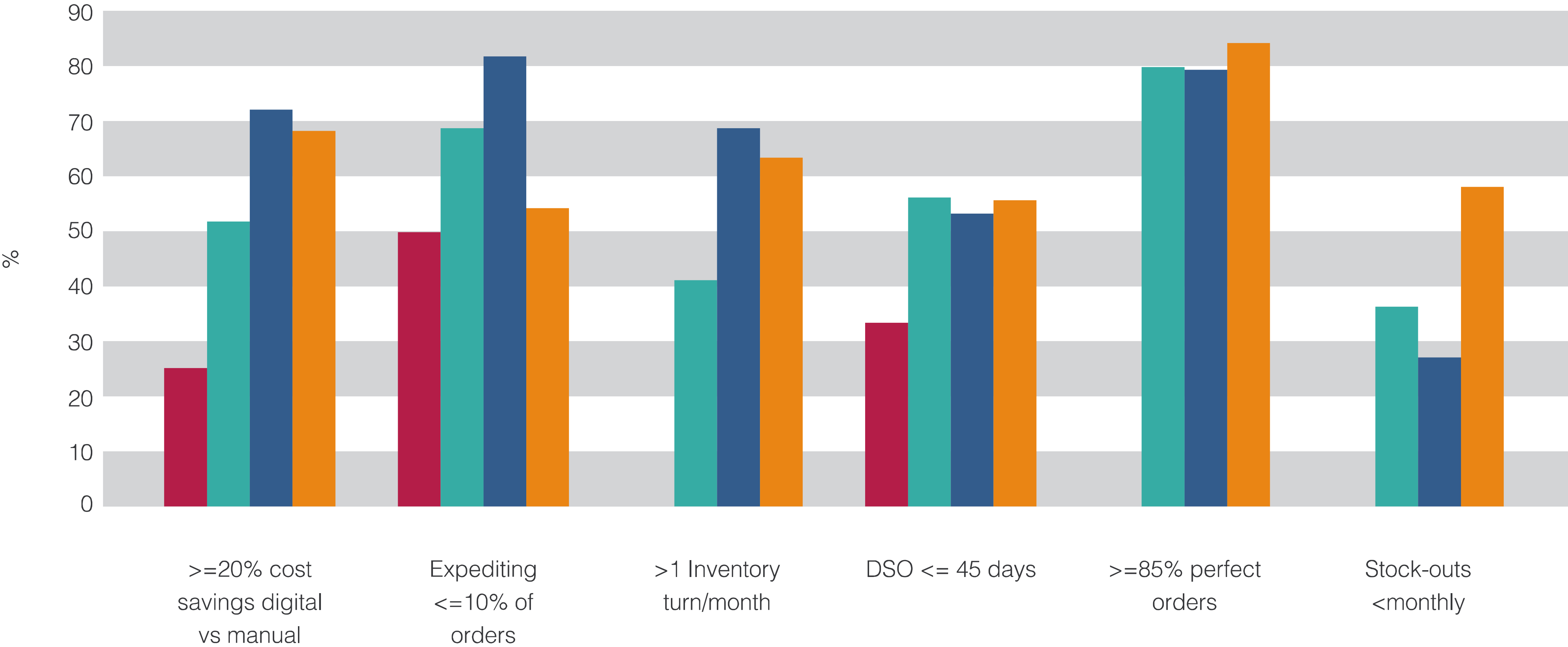
Make the Business Case



Source: SCM World

Metric	<div>2</div> Informative	<div>4</div> Relational
Inventory turns	61% < 1/mo.	68% ≥ 2/mo.
Days sales outstanding	66% > 60	78% ≤ 60
Expedited orders	33% expedite ≥ 10% orders	54% expedite ≤ 5% orders
Transaction processing cost	baseline	72% save ≥ 20%

Performance Improvement with Advancing Maturity



Source: SCM World

1 Transactional

2 Informative

3 Analytical

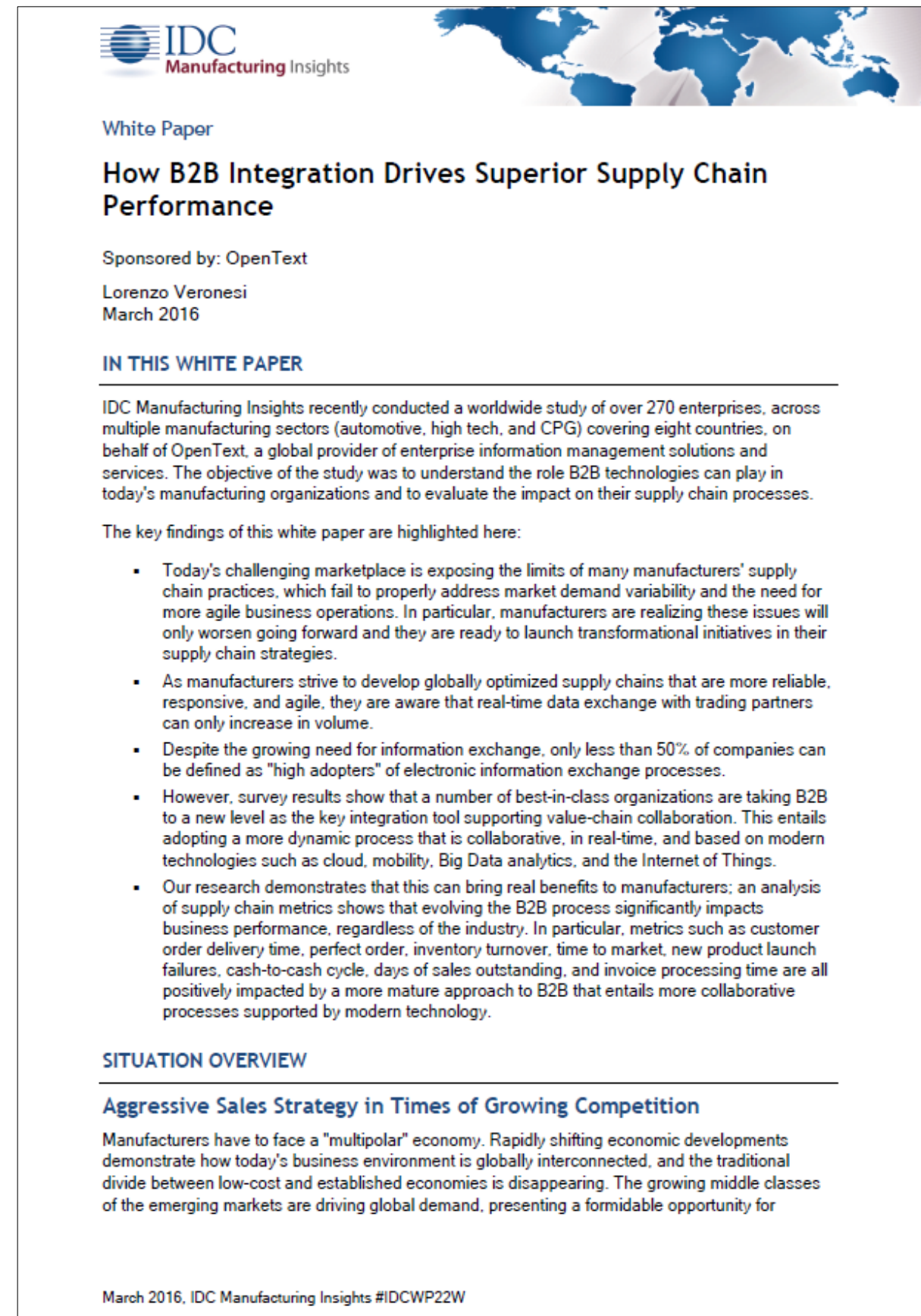
4 Relational

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



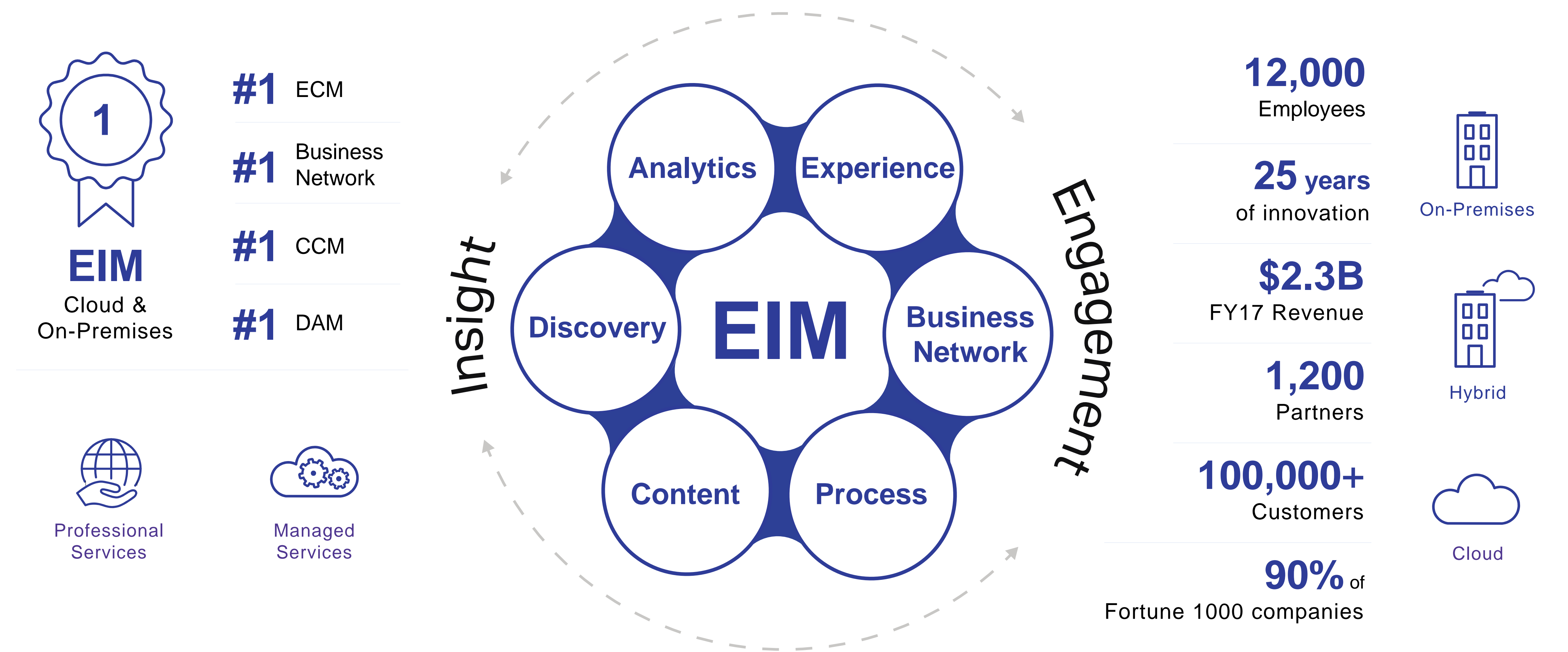
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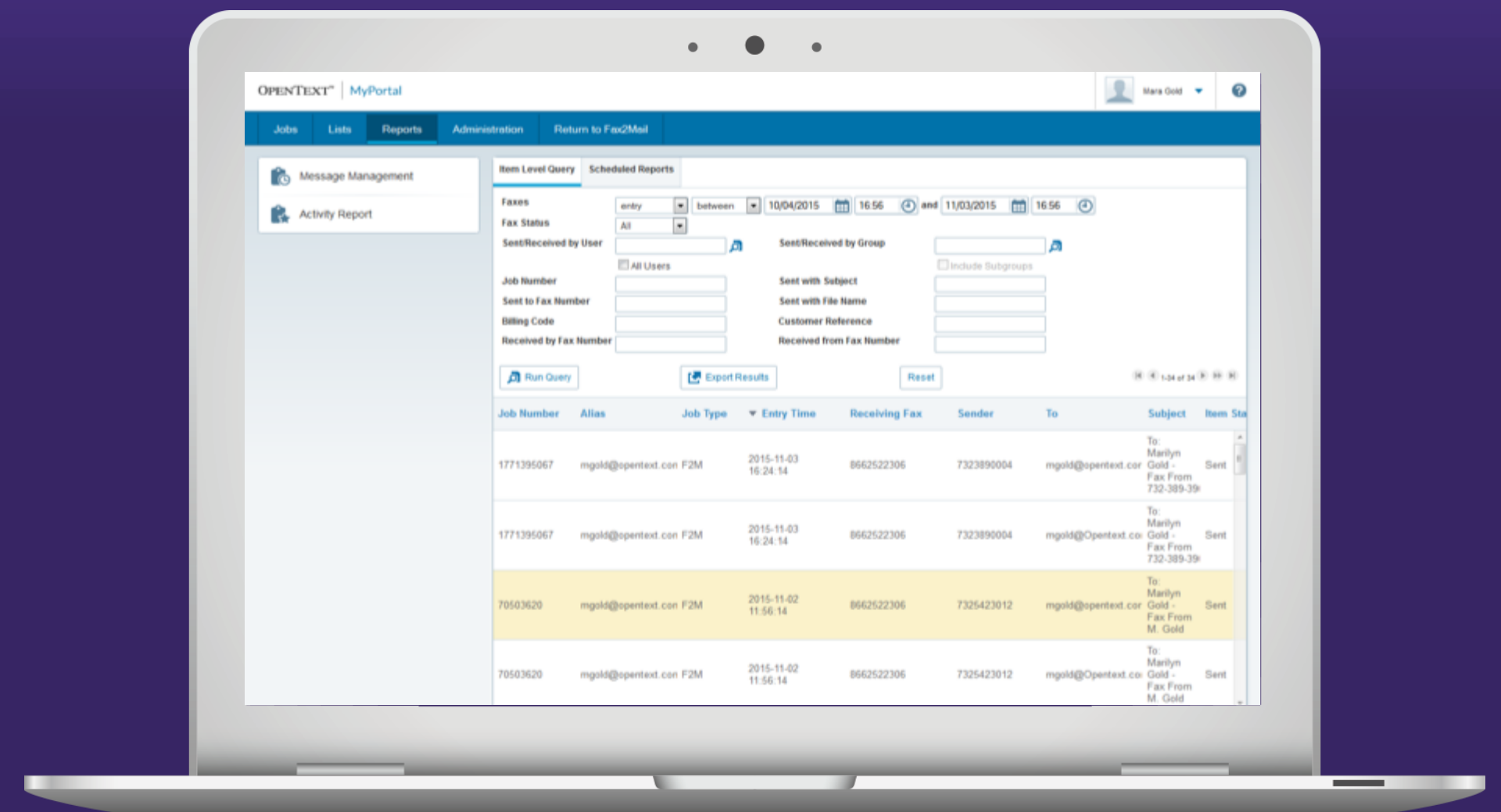
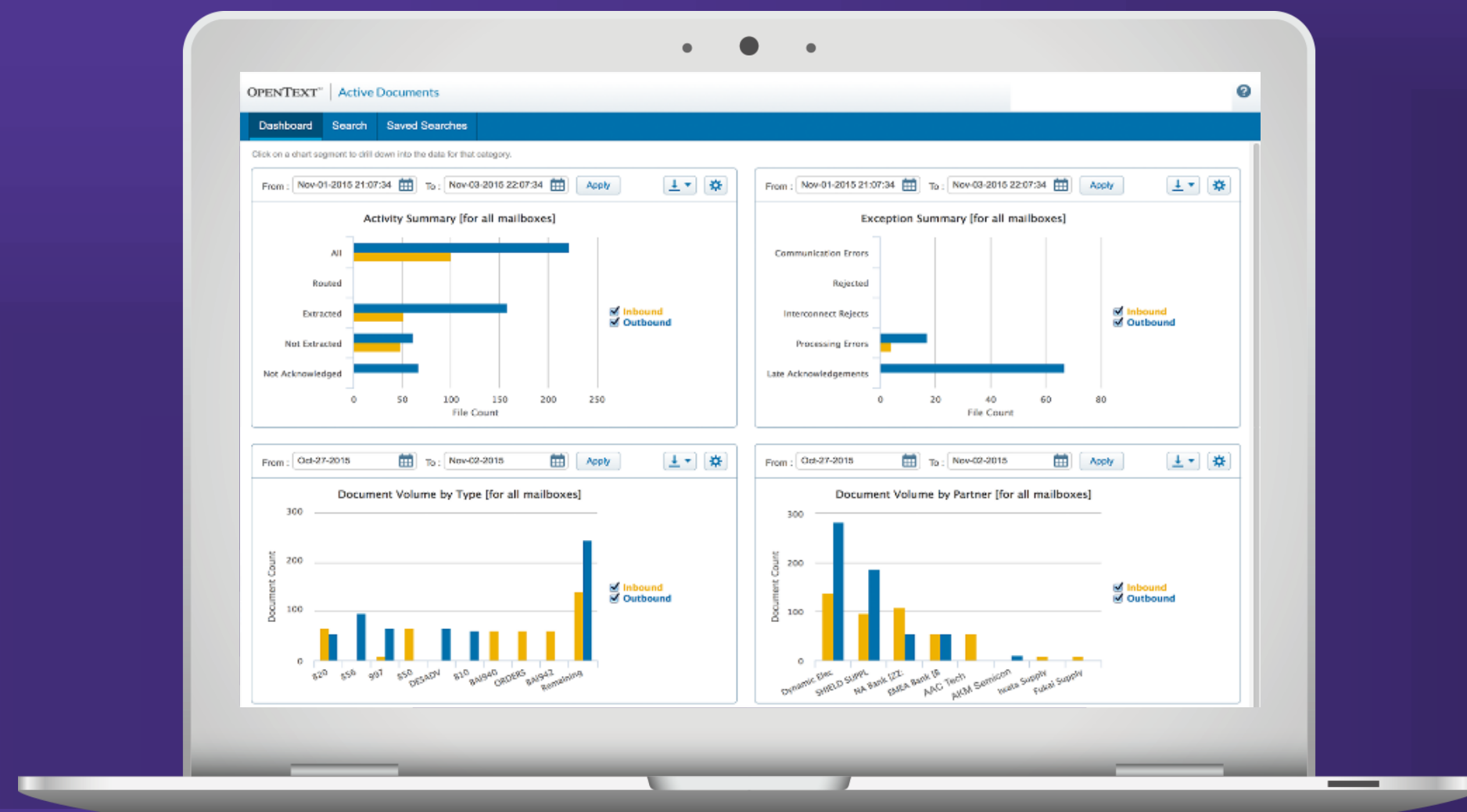
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OpenText corporate profile



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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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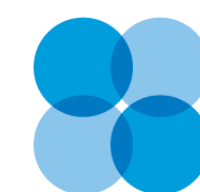
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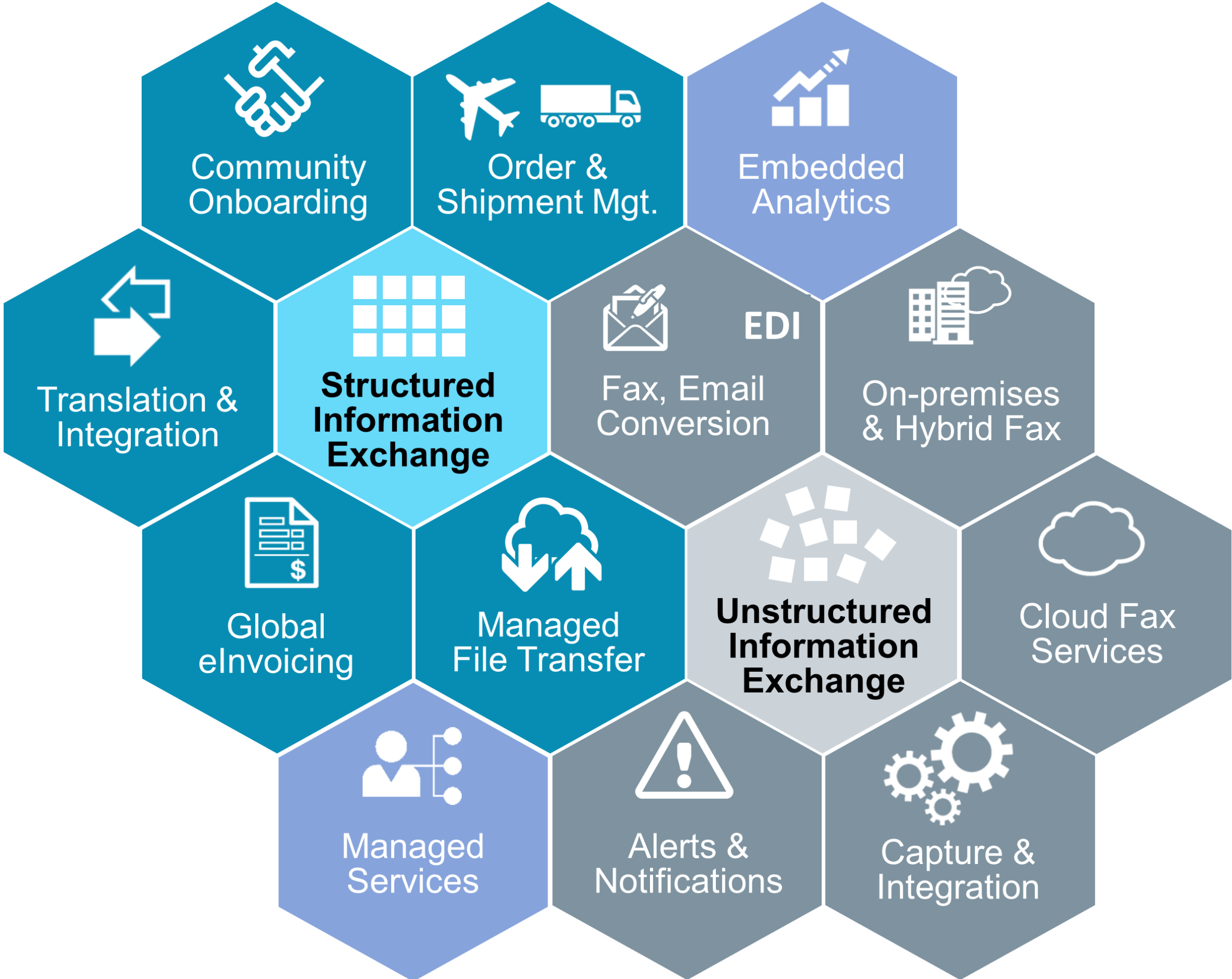
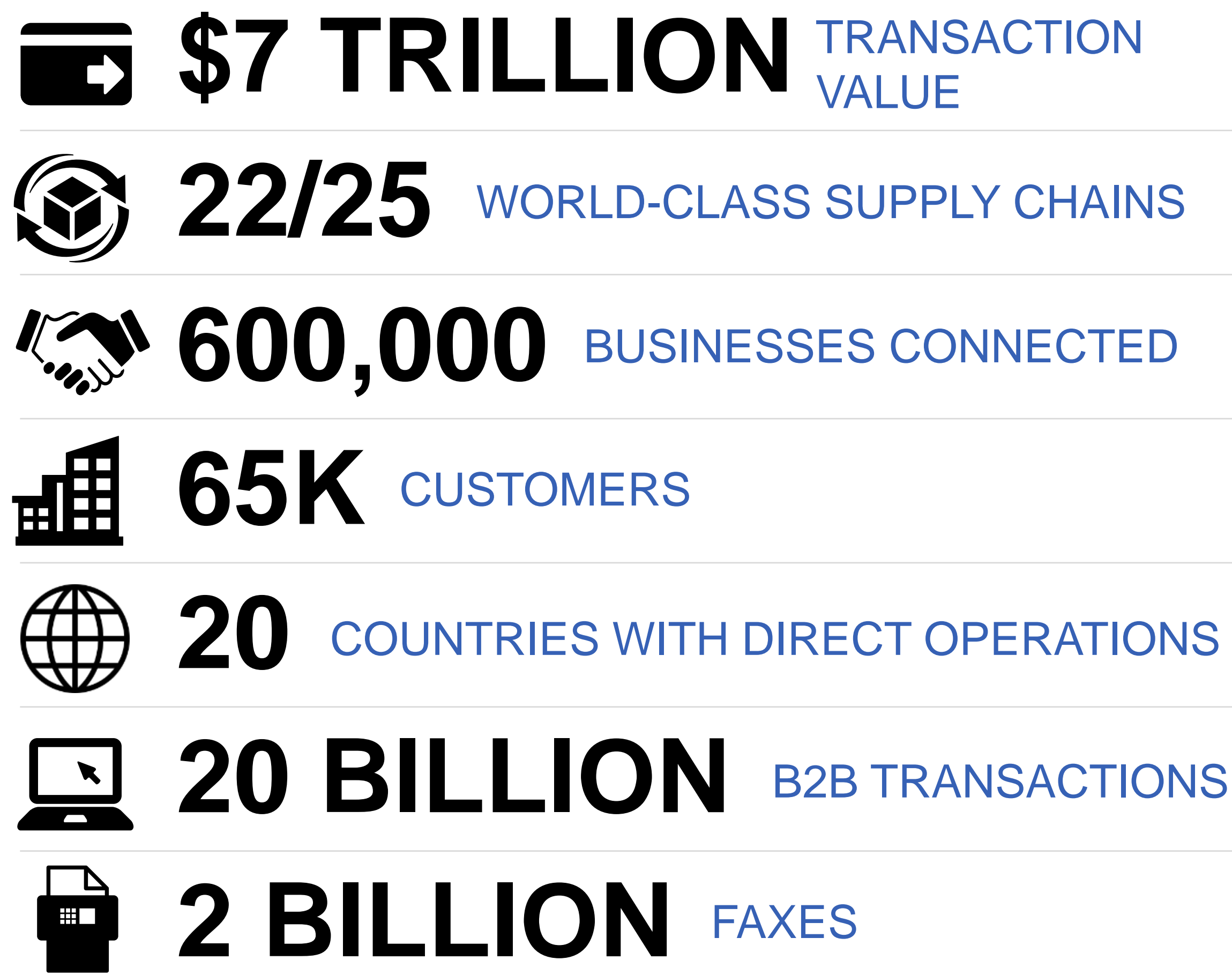


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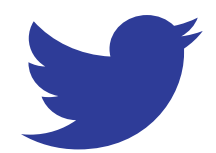
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