Supplier Network Management
Managing Suppliers in an Integrated Economy

Underwritten in part by
Coupa
Hubwoo
SciQuest
Tradeshift

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Featuring Insights on ...

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Key Drivers of Supplier Management Solution Adoption
Supplier Network Benefits and Barriers
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Executive Summary

Many companies have hundreds or even thousands of trading partners across their organization, leading to significant business risk and financial cost when supplier data is inaccurate or not maintained. According to Spend Matters, “the lack of consistent, high-quality supplier information is costing the typical Global 2000 company tens to hundreds of millions of dollars annually.” Locating the best suppliers, keeping compliant and up-to-date supplier information, and negotiating the best agreements are all key components of effectively managing business commerce. However, to be successful, companies must venture beyond these steps to constantly discover, assess, and onboard new trading partners, facilitate the electronic exchange of business documents, and consistently measure and improve upon performance.

Many business-to-business (B2B) processes—including contract and credential management, new supplier or vendor registration, partner onboarding, and risk management—are currently executed using time consuming, manual, error-prone processes. Gartner Research estimates that companies typically spend up to $1,000 per supplier each year in supplier management costs.¹

To effectively manage a supply base and deal with mounting regulations, companies are moving towards strategic supplier management or supplier network management (SNM) solutions, with the goal of extracting more value from inbound value chains and reducing the risks and total costs of procurement while increasing innovation. SNM solutions maximize the value of supplier relationships by ensuring quality throughout the supplier relationship lifecycle. This is particularly important in direct spend, where the quality and value of a supplier relationship can directly influence overall company performance.

SNM solutions work to improve the entire business process by solidifying business interactions and transactions, and by providing buyers and suppliers with much-needed visibility and control into the process through supplier portals, interactive dashboards, dispute resolution, eInvoicing, contract and payment management, robust reporting and analytics, and more. This PayStream Advisors market analysis report targets organizations seeking information regarding using SNM solutions to seamlessly manage and maintain relationships with their suppliers. The report will help CFOs, finance managers, procurement managers, AP managers, and IT buyers make technology decisions as they evaluate and select new SNM strategies and solutions.

Business Network History

The landscape of B2B networks has changed dramatically as workflows, data sharing, and shared processes have evolved from electronic data interchange (EDI) in the 1960s, to the emergence of value-added networks (VANs) in the 1990s, to the dawn of B2B marketplaces in the 2000s. Beginning in 2010, B2B supply chain business networks expanded to include interface reusability, canonical data models, multi-party applications, industry-specific multi-tier analytics, and community onboarding services. In these new B2B networks, supply chain visibility progressed from transactional to process-flow visibility, and the advent of cloud-based networks enabled greater speed and functionality.

Today’s B2B supply chain business network solutions continue to mature, bringing new capabilities and functionality including forecasting analytics and cash management. They also centralize trading partner communication and data in every transaction.

Business networks facilitate automation in three areas:

1. Connected information-sharing between buyers and suppliers, such as remittance data.
2. Direct B2B electronic links that increase the speed of transactions, such as invoices and POs.
3. Many-to-many support communication and collaboration.

The Power of the Network

Today’s supply chains are not linear in nature; the flows are not point-to-point, but rather a complex network of many partners. Though many B2B network solutions are now in their second decade of maturity, most still depend on ad-hoc, labor-intensive, manual processes, see Figure 1. Reliance upon spreadsheets, email, and Electronic Data Interchange (EDI) results in disparate, unsynchronized information at higher costs, low visibility into the supply chain, and increased risk, among other pains.
Without a network system of record, data latency is high, resulting in out-of-date information that can wreak havoc in the supply chain. Supplier networks enhance supply chain visibility for all trading partners, in addition to offering collaborative processes and analytics. Supplier networks are no longer simple transaction-oriented exchanges for sending POs electronically; they are an important strategy necessary both for optimizing transaction-focused procurement and for improving supplier relationships. Supplier networks work to increase spend under management, lower costs related to poor supplier performance, and achieve higher rates of supplier compliance. Supplier networks also have a predictive signal to thwart supply issues before they occur and help identify new supply opportunities.

Today’s supplier networks provide self-service functionality to approved suppliers, such as self-registration that allows suppliers to promote their products and services and facilitate commerce with a wider buying base. Buying organizations maintain control over the network and are required to approve suppliers in order to initiate transactions or transmit information over the network such as catalogs, invoices, or contracts. System architecture helps ensure safe communication and data exchange between buyers and sellers within the application.

One of the biggest drivers leading companies to consider SNM solutions is the high rate at which supply chain data changes. While weekly information synchronization was sufficient in the 1990s, and daily data was adequate in the last decade, today there is a need for real-time refreshes of daily data to
synchronize trading partner flows. Today’s leading SNM solutions provide a specialized set of bidirectional process and data flows to support supply chain synchronization within a business network.

Supplier networks provide a many-to-many platform that enables trading partners to participate using several data and integration formats. These networks allow trading partners to engage in multi-tier, multiple-party processes. They also provide detailed analytics and benchmarking data. Figure 2 shows the top supplier network capabilities, with the leading capability being the identification of new suppliers and market opportunities (76 percent).

Driving Forces Leading to Increased Adoption

While many organizations have invested in financial management systems to streamline the processes associated with managing suppliers, these systems fall short in providing complete analysis and insight into the broad range of supplier-related activities. Supplier management tools extend far beyond the historical focus on transaction-related activities, and now incorporate increased supplier intelligence, commercial and financial risk analysis, improved relationship management, and innovative methods of social enterprise collaboration. SNM solutions deliver actionable data and valuable insight that can be leveraged for improved decision-making and buyer/supplier collaboration.

Figure 2
Supplier Network Capabilities

Source: Aberdeen Group: Supplier Networks: Moving Beyond the Traditions of E-Procurement, April 2011.
Other key drivers that influence the evolving supplier management market include:

» **Regulatory Requirements** – Supplier and regulatory compliance issues are a complex maze of overlapping regulatory authorities, process requirements, technical requirements, partnerships with certification bodies, advocacy groups and other non-governmental organizations, and global terms of trade. SNM solutions help buyers and suppliers reduce their risk of non-compliance, protect their brands, and cut costs by simplifying and streamlining compliance processes.

» **Cross-Functional Discipline** – Supplier management extends beyond simple cost-cutting to strategically address the business requirements of all supplier-facing functions such as procurement, IT, sales, marketing, legal, and finance. SNM solutions can benefit the entire range of supplier-related segments. Organizations that implement supplier management tools as a cross-functional discipline can realize enterprise-wide returns on supplier management investment.

» **Complex Business Environment** – As supply chains become increasingly complex due to global competition, changing economic policies, rapid price fluctuations, and inventory life cycles, organizations seek innovative solutions to effectively meet the specific needs of this ever-changing business environment.

**Supplier Network Benefits and Barriers**

The supply chain is a complex network of many partners. While the data flows are dynamic, connectivity through EDI and ERP is static, resulting in a lack of visibility. SNM solutions improve data quality by integrating disparate systems that track supplier information to create one system of record. These solutions provide a holistic view of suppliers and the supplier management process. SNM solutions take a multi-disciplinary approach to solving supplier management challenges by standardizing processes, improving how supplier data is collected, enhancing usage of supplier metrics, and improving the process of initially selecting suppliers. Simply put, supplier networks are a centralized place for buyers to collaborate with all of their suppliers, providing faster, more efficient processes.

The number one performance benefit associated with the implementation of a SNM solution is more efficient processes, followed by a reduction of inventory, improved customer satisfaction, and more sustainable products or processes, see Figure 3.
Supplier networks allow buyers and suppliers to transact and collaborate electronically, benefitting both the procurement and AP functions. Procurement benefits from increased visibility into financial operations, the ability to better manage spend and catalog pricing, instant electronic PO delivery, and savings associated with discount programs. AP benefits from the migration to 100 percent electronic invoicing that meets specific business requirements including VAT compliance, thus reducing invoice errors and exceptions.

Key features that are driving interest in SNM solutions include:

» **Purchase Order Routing** – POs transmit vital data from a buyer to a supplier, including what is ordered, when, where and at what price. Supplier networks facilitate PO transmission and routing of POs, as well as change orders and related documents. In addition, supplier networks provide visibility and a means for buyers and suppliers to communicate regarding POs and supporting documents.

» **Electronic Invoicing** – Eliminating paper in the invoice process reduces errors and speeds up transactions while providing improved visibility. Supplier networks help automate the invoice process through eInvoicing, which benefits both buyers and suppliers.

» **Supplier Directory** – SNM solutions provide a single, centralized repository of supplier companies and contacts. Buying organizations predetermine the specific supplier information that is necessary to collect and maintain, including corporate-level data such as products, technical capabilities, and compliance status, as well as content-level data such as names, emails, logos, skills, roles, and responsibilities.

» **Automated Supplier Registration** – Identifying and qualifying new suppliers can be a slow and error-prone process. The majority of SNM solutions available today include self-registration options for new suppliers, which allow them to build an online visual resume or profile of their company’s capabilities and product offerings. Supplier registration is completed under the control of an automated workflow process that enterprises configure for multi-party approvals and notifications.

» **Self-Service Supplier Profile Maintenance** – SNM solutions allow suppliers to maintain their own information, thus ensuring that the data is always current. Solution functionality allows suppliers to upload contracts, insurance certificates, and other key documents directly to their profile as allowed by pre-established permissions. This saves an enterprise from having to spend time and resources obtaining up-to-date supplier information prior to beginning any B2B initiative.

» **Mass Communication and Monitoring** – SNM solutions allow buying organizations to send targeted, personalized messages to large audiences of suppliers at once and easily create surveys or questionnaires and other web forms for inclusion. A detailed audit trail of supplier progress through assigned tasks allows enterprises to obtain real-time updates via reports and dashboards. SNM solutions also create audit trails of adherence to critical requests and reminder capabilities that facilitate effective management of large scale B2B initiatives.

» **Project Management** – The combination of streamlined supplier selection and customizable project templates and workflow functionality within a SNM solution allows enterprises to define and execute community-based projects in an automated fashion, such as regulatory reporting, ensuring consumer product safety certificates are uploaded, and policy and procedure updates.

» **Performance Benchmarking** – The benchmarking functionality in SNM solutions allows enterprises to evaluate supplier performance against other best-in-class suppliers in the network, or compare a supplier’s performance in the network by specific key performance indicators (KPIs).
» **Built-In Alerts** – SNM solutions provide timely notifications of declining supplier performance, and predictive analysis tools anticipate supplier problems with sophisticated modeling, analytics, and prediction functionality.

The key features and capabilities of supplier networks continue to evolve, and companies are looking for ways to tap into the advantages of leveraging these networks. Both buyers and suppliers can reap the benefits of supplier networks.

**Buyer Benefits**

- Reduce overall supplier management costs
- Obtain a 360-degree view into all aspects of supplier information, including contracts, catalogues, quotes, performance, certificates, and contacts
- Speed up supplier assessment and qualification by automating information collection and the new supplier approval process
- Access services for supplier onboarding
- Protect against supply disruptions and regulatory and compliance risks
- Drive faster time to value and lower the total cost of ownership and results

**Supplier Benefits**

- Increase sales opportunities—access to tens of thousands of buyers
- Lower cost to service customers—the majority of supplier networks are free to suppliers
- Improve communications with vendors through self-service supplier portals, dispute resolution, help desk support, etc.
- Improve customer satisfaction
- Facilitate faster payments with electronic invoicing and approval workflows
- Accelerate order-to-cash cycle

**Challenges with Supplier Networks**

The number one challenge for a supplier network is gaining supplier adoption. Historically, onboarding 10 – 20 percent of suppliers was considered sufficient, but that is no longer the case. Being unable to electronically connect to a majority of a supply base leaves a tremendous amount of uncaptured value on the table. A successful supplier network is a simple numbers game: the more suppliers that are involved, the more transactions buyers can process and capture.

In order to achieve critical supplier mass, buyers must extend their focus beyond onboarding their top suppliers. While top suppliers represent a large portion of a buyer’s spend dollars, they account for a mere fraction of total transactions. The more suppliers a buyer can connect with via the supplier network, the greater a buyer’s opportunity to eliminate inefficient paper-based processes, free up staff for
high value tasks, lower transaction costs, and save through discount programs.

The era of no-fee supplier transactions has certainly boosted supplier enablement within networks. Solution providers continue to demonstrate real value to suppliers and develop partnerships and collaborative relationships as opposed to pushing additional costs and mandates onto suppliers. As more SNM solution providers continue to add more supplier functionality such as intelligence or social network and supplier capabilities, PayStream predicts supplier networks will continue to grow.

PayStream attributes the increase in supplier adoption to the following:

» **Value Proposition to Suppliers** – When a supplier is presented with a request to join and transact over a supplier network, they weigh the costs and benefits. If charged membership fees or required to engage in costly IT projects, suppliers either will not participate or will charge back those added expenses to the buyer. To eliminate these obstacles, SNM solutions enable supplier enrollment that is fast, easy, and free. Suppliers are more likely to participate and take advantage of a network that offers them quicker payments, improved trading relationships, and visibility into the entire process.

» **Ease of Connectivity** – Suppliers need to collaborate electronically from their own existing systems. SNM solutions enable invoice submission in multiple formats, so a supplier can choose what format works best for them.

» **Best-in-Class Service** – SNM solution providers have dedicated onboarding teams to help buyers onboard their suppliers. These onboarding services provide suppliers with the connection options and personalized attention needed to get them up and running on the network quickly so they can receive orders, submit invoices directly into a buyer’s AP system, check payment status, and collaborate effectively.
Supplier Network Management Universe

SNM solutions manage an enterprise's supply base throughout the complete supplier lifecycle—from initial onboarding at the beginning of the relationship to continuous performance evaluations for ongoing improvements throughout the buyer/supplier relationship. These solutions help enterprises manage each supplier consistently and effectively, in an effort to reduce supply risk, increase supplier performance, and maximize cost savings.

A spectrum of tasks ensures strategic supplier management including supplier onboarding and registration, supplier qualification, supplier classification, category management, supplier evaluation, and supplier development. These tasks are outlined below.

1. **Supplier Onboarding and Registration** – SNM solutions make onboarding suppliers faster and more efficient. Automated workflows help manage the approval process for new suppliers, and self-service functionality allows suppliers to register themselves.

*Figure 4*  
Supplier Network Management Universe
2. **Supplier Qualification** – SNM solutions streamline the supplier qualification process. Many solution providers have built-in questionnaires or custom surveys buyers can create for suppliers that are under consideration. SNM solutions provide complete visibility into the supplier qualification process, which gives buying organizations the ability to monitor progress and keep the process moving forward.

3. **Supplier Classification** – SNM solutions provide a portfolio-level view of supplier relationships, and offer the visibility necessary to determine the right mix of suppliers to best serve specific business needs and reduce overall supply risk. Buyers can quickly search and identify suppliers using multiple criteria, in addition to storing and accessing time-dependent sustainability scorecards, attachments, qualification results, and certificates.

4. **Supplier Evaluation** – SNM solutions allow buyers to monitor and evaluate the performance of suppliers. KPIs and scorecards monitor daily work performance, contract procedures, price negotiations, and more, and reports can be generated from this data to identify valuable suppliers and manage them effectively.

5. **Supplier Development** – SNM solutions allow buyers to collaborate with internal stakeholders and suppliers on activities and projects to optimize performance. Automated workflows can be established, and reminders can be set for due dates of assigned tasks. Buyers and suppliers can access activities and tasks in one central location and have complete transparency in joint initiatives.
Supplier Network Management – Next Steps

To move forward and identify a SNM solution that meets your organization's specific needs, PayStream Advisors recommends four steps:

1. **Define Supply Chain Visibility** – Clearly define what supply chain visibility means to your organization and what level of visibility is needed to make informed decisions about supplier performance, risk exposures, and financial metrics.

2. **Synchronize the Supply Chain** – While most companies understand the need for integrated information, most do not understand synchronization. In order to make a case for supply chain synchronization, a buying organization needs to be able to trace the number of times changes are made to POs by suppliers, forecast supplier performance, and predict lead times and cycles for carrier commitments.

3. **Educate on the Value of Supplier Networks** – SNM solutions continue to add new functionalities to ensure supplier selection, measurement, and compliance management. The rapid pace of supplier network technology changes requires understanding and education. Most people within a company conceptualize an enterprise model that is inside-out with regard to the supply chain. Changing this thought process to thinking of the supply chain as a business network with flows outside-in is a drastically different data model, requiring education and a gradual evolution of thinking.

4. **Partner with a SNM Solution Provider** – SNM solutions are continually evolving, offering new capabilities to cultivate value-driven supplier relationships that encourage supplier excellence and increase profitability. These solutions need to be viewed as a partnership opportunity. The greatest ROI will happen when business leaders invest time with solution providers to define new collaborative applications and analytics.

**Selecting a SNM Provider**

While the benefits of SNM solutions are apparent, reaping maximum benefits from your automation initiative requires selecting a solution provider that is a good fit for your organization. A thorough, critical analysis of various technology solutions and the functionality they provide in light of your organization's business needs is essential. To help you with your due diligence, this section outlines the questions you should ask.

» Does the solution integrate with your ERP or procurement system?
» Is the solution free for suppliers (no membership or transaction fees)?
» Does the provider help onboard your suppliers—both large and small?
» Does the solution provide the functionality outlined in the Supplier Benefits section of this report?
» Does the solution have a centralized portal to manage supplier profiles, certificates, diversity, and risk metrics?
» Is ad-hoc and custom reporting functionality included in the solution?
» Is buyer and supplier training included?
» Does the network facilitate the transmission and routing of purchase orders?
» Does the solution provide electronic invoicing?
Coupa Profile

Founded in 2006, Coupa Software is a leading provider of cloud-based financial applications. More than 450 customers in over 40 countries trust Coupa’s suite of financial applications to support business agility and reduce costs. Coupa provides a suite of true cloud applications for finance—including accounts payable, sourcing, procurement, and expense management—that allows customers to realize a return on investment within a few months and savings that continually impact the bottom line.

Coupa’s mission is to deliver software innovation that breeds responsible spending while impacting the company bottom line, which has resulted in Coupa’s explosive growth in bookings, renewal rate, and platform usage. Coupa has witnessed a 97 percent annual customer subscription renewal rate due to the solution’s ease of use and integrated procurement, sourcing, expense, and invoice solution functionality. Coupa is a 100 percent SaaS, cloud-based application, which frees clients from the expensive and time-consuming burden of operating and maintaining their own applications and infrastructure. Coupa has partnered with Amazon Web Services to provide the hardware and infrastructure to support Coupa’s scalable platform. Customer instances are configured independently through a user interface, and externalized configuration files and upgrades are all included in the subscription model.

Coupa’s security features include high-grade encryption of passwords, state-of-the-art kernel firewalls and intrusion detection software, multi-layered architecture to secure customer sessions and prevent unauthorized data access, and best-in-class disaster recovery protocols that eliminate data loss in the event of system failure.

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Solution Overview

Coupa’s Supplier Network provides flexibility and facilitates transactions by giving buyers and suppliers an easy-to-use platform that allows them to interact in a number of formats including CSV, cXML or EDI. Suppliers that do not use these systems can still use the Coupa Supplier Network to create punchout sites without incurring costs. Through Coupa Supplier Network, purchasing departments can securely connect their suppliers to their purchasing system to streamline and automate the ordering and invoicing process, saving valuable time and money. Suppliers can receive POs, acknowledge order receipt, and submit invoices for payment through the system. They can also manage their billing and contact information, making it easier for suppliers to connect with buyers.

The Coupa Supplier Network allows suppliers to manage their own catalogs and punchout sites. Rather than investing time ensuring current pricing and availability information is up to date, suppliers can upload current data while the buying organization maintains control over the catalog. The supplier can set start and end dates, allowing buyers to compare current and new pricing and decide whether to approve it. The Coupa Supplier Network gives suppliers access to a low-cost, high-volume order channel, thus increasing their order-taking efficiency, reducing mistakes and delays fulfilling orders, and maintaining a better presence with key customers. In addition, the Coupa Supplier Network provides suppliers with a channel to gain new customers and increased sales.

Supplier Recruitment

There is no fee for suppliers to join the Coupa Supplier Network or submit invoices, which has led to Coupa’s higher-than-average supplier adoption rate. The Coupa Supplier Network is comprised of more than 1.3 million suppliers. Such a large supplier network allows efficient communication and commerce between buyers and suppliers of all sizes. Coupa provides active supplier recruitment efforts for customers needing these services, including Supplier Data Validation, Supplier Classification, Supplier Communication, and Supplier Enablement.
The Coupa Supplier Network offers suppliers a wide array of features, all for no cost, that decrease AP processing efforts and reduce the volume of calls to AP. Supplier functionality includes managing company information, configuring PO transmission preferences, receiving POs, acknowledging orders, creating an online catalog, submitting invoices for payment, and checking invoice payment details and status.

**Electronic Invoicing**

Coupa Invoicing provides organizations with a complete and intelligent solution for managing their AP processes. It supports capture through a supplier self-service portal or multiple electronic mechanisms. Customers can elect to use Coupa’s partners for scanning and document conversion into Coupa’s system, or they can integrate with other providers for scanning and OCR.

Coupa supports 2-way or 3-way matching of invoices against POs and receipts, and can combine matching with tolerance checks to make sure invoices meet specific tolerance thresholds. Discrepancies are placed on hold for additional review and approval. All customer data and image files are stored for the duration of users’ subscription with Coupa, users can run simple and advanced searches of invoices to gain quick and easy access. Search results provide summary data with the ability to drill down into each invoice, which also gives access to any documents attached to the invoice.

**Workflow**

With Coupa’s workflow management, different approval chains can be configured for different purposes (e.g., requisitions, invoices). Tasks are routed via email and/or application display, and auto-notifications are emailed to users to inform them of action items required, status changes, or updates. These feature automatic escalation. From configurable operational dashboards, AP teams can easily set up Coupa’s robust invoice approval workflows based on pre-defined validation criteria, allowing them to manage their workloads, drive on-time payment, and ensure invoices are paid on-time to benefit from pre-negotiated early payment discounts. These workflows can handle multiple approvers and disputes, and users can create customized invoice management views to see different groupings of invoices for workload management and other role based views.

**Reporting and Analytics**

Coupa provides over 100 pre-built reports to ensure complete spend visibility for any organization. All reports in Coupa can be easily generated through an intuitive web interface. Reporting dashboards can be set up for different business levels, featuring real-time graphical views that provide critical insights to spending management performance, supplier performance, liquidity, and more. Users can also build their own custom views and self-schedule reports.
Coupa’s unique performance benchmarking capabilities can calculate company performance across 35 key purchasing and expense management KPIs and compare those metrics against a market benchmark that is updated nightly, entirely from transactional data pulled from across the Coupa platform. Coupa also provides a spend analytics BI that includes customized dashboards, and all transactions, approvals, and important master data contain an audit trail with date/time stamps throughout the application.

The Coupa Customer Success portal is a help and training tool through which suppliers can find out more information about the Coupa Supplier Network, and where Coupa continually notifies buyers and suppliers of any updates or new trainings. Coupa routinely monitors the regulatory environment to ensure ongoing compliance in the development and delivery of their product and services.

**Implementation and Training**

Coupa’s robust implementation methodology is based on best practices and templates that have been refined over the course of 450 Coupa implementations. They tailor the entire process to customer’s specific business needs and requirements. The typical timeline for a Coupa implementation varies, but deployments range from 3-6 months. Although little training is needed for this intuitive system, customers can opt for both online and in-person training, and specific training is also available for administrators.

Available for companies after implementation and training is complete, the Coupa Best Practice webinar series runs every Thursday at 11 am PT, giving customers the opportunity to interact with each other and discuss topics that are relevant to their business. Coupa provides customers with three options for pursuing support: phone, email, and the Coupa support portal. Depending on the support package, support technicians are available 24x7 for priority cases.
Hubwoo Profile

Founded in 1999 and headquartered in Paris, France, with other locations worldwide, Hubwoo connects companies by providing comprehensive, cloud-based spend management and collaborative business process automation solutions for goods and services through The Business Network. Hubwoo solutions integrate with any ERP, procurement, or back-end system, providing customers with an easy-to-use solution which drives adoption, compliance and savings.

The Business Network by Hubwoo is one of the world’s largest supplier networks, providing source-to-pay process automation and efficiency. The Business Network by Hubwoo is a many-to-many platform of over one million businesses, including over 150 large enterprise buying customers and more than 130 million catalog items.

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Solution Overview

The Business Network by Hubwoo is a cloud-based solution with no membership or transaction fees for suppliers. The network sits at the center of source-to-pay process automation, as it ties together interaction, collaboration, and transaction between all of an organization’s existing front and back-end systems, resulting in one central platform for increased visibility, compliance, and savings. The user
interface is easy to learn and navigate, providing a dedicated overview of the current activities and tasks, including related key information and statistics. It is highly customizable to meet a customer’s specific business needs.

The Business Network helps companies drive and improve contract compliance based on a guided buying approach, contract information available to end users in catalogs, and checking invoices against contract information. Hubwoo’s guided buying approach keeps the end-user informed on specific processes, rules and forms that need to be adhered to before the order can be placed. In addition, legal compliance rules are incorporated in the solution to guide the supplier to provide mandatory information on invoices.

Each day, over 300,000 users from over 70 countries in a wide array of industries trust The Business Network as their one-stop shopping location. The Business Network provides a single place to request all materials and services, resulting in more purchases made on contract. The Business Network by Hubwoo provides an end-to-end procurement solution. An order lifecycle starts with an order and includes order response, change order, advanced shipment notice, goods receipt, service entry sheet, service entry sheet response, invoice response, and remittance advice.

The Business Network is hosted in a secure data center in Europe. Both the data center and the Hubwoo solution are audited on a regular basis by external auditors to ensure the security and privacy of Hubwoo customers.

Supplier Recruitment

Hubwoo’s approach to supplier enablement consists of three key components:

1. **Plan Phase** – This phase includes the development of the enablement strategy, defining the enablement program and formalizing supplier communication.

2. **Enable Phase** – Consisting of supplier nomination, configuring, and training to ensure successful account activation, system knowledge, and initial transaction.

3. **Manage Phase** – This phase provides reactive support as required, with transactional monitoring in place for all parties.

Depending on the scope, experience, and resources available to a customer, there are two options available to complete the Hubwoo supplier enablement: Full Self-Service Enablement or Hubwoo-Managed Enablement.

Supplier Portal

Hubwoo’s supplier portal provides a vast number of capabilities, including the ability to accept customer invitations to The Business Network, catalog
management, spot buy requests and offers, order management, invoice presentment, reports, and basic administration functions such as company profile maintenance, management of users and responsibilities, and process configuration and default values.

**Electronic Invoicing**

Through The Business Network, Hubwoo enables compliant eInvoicing for fewer blocked invoices, faster payments, and improved visibility into the payment process. Invoice management with The Business Network means fewer errors and less manual work for both buyers and suppliers. Validation and conditional rules at the time of invoice presentment eliminate invoice errors at the source. With Match & Approve, buyers and suppliers are notified automatically when invoices require review or adjustment. The solution facilitates easy collaboration on a resolution, with total visibility into the process by all parties. Better invoice management allows buyers to take greater advantage of early payment discounts, while suppliers enjoy the benefit of improved cash flow from faster payments. Invoices are TrustWeaver-certified and meet local legal compliance in 37 countries.

Key capabilities include invoice pre-matching (which tells suppliers whether an invoice falls within pre-set ranges for price and quantity before it is sent to a buyer’s AP system), dispute management, automated creation of goods receipt or service entry sheet in the back end of the ERP system to facilitate “first-pass” matching, which aids buyers in capturing more discounts and reduced days sales outstanding, legal compliance, digital signature and archiving ensure electronic invoices meet over 37 country-specific standards, and real-time invoice and payment status.

**Workflow**

Hubwoo provides a cloud-based invoice matching and approval solution that streamlines the invoice approval process based on rules, validations, and workflows. Customers’ specific business rules ensure that nothing gets invoiced that has not been delivered. Customers can set tolerances and conditional rules to only allow invoices that meet their specific criteria.

**Reporting and Analytics**

Hubwoo provides a variety of out-of-the-box reports including:

- Business activity of suppliers on The Business Network
- Catalog items and order evolution over time
- Catalog price changes and impact analysis on line item level based on spend history
- Price history of items in catalog
» Ordered spend on catalog (contract) and non-catalog items
» Matching of orders and shipment notices
» Users' feedback about suppliers and their products
» Requested reviews, reports, and alerts on changes in the supplier profile
» Third-party risk information as optional service

Hubwoo also has a Spend Analysis solution that combines order lifecycles from various customer procurement and ERP solutions and links this information with the sourcing, contract, and catalog information. In addition, the solution maintains detailed audit trails by keeping track of all changes to catalogs and business documents, including the version, date, and user. This information is provided to both buyers and suppliers to provide them with complete visibility of the status and any changes that have occurred. Internal audit trails are also available to track changes, which only Hubwoo administrators can complete.

**Implementation and Training**

All Hubwoo projects follow their standardized ASSURE implementation methodology, which stimulates Adoption, Scalability, Savings, Usability, and Repeatability utilizing our Expertise based on Best Practices. Hubwoo's approach to solution implementation centers on a proven methodology designed to effectively and efficiently implement its solution in support of clients' unique requirements and business objectives.

Hubwoo provides extensive training for both full self-service and managed supplier enablement. Part of the Hubwoo offering is their 24x7 help desk for buying customers as well as for suppliers. Help desk fees are covered by the Hubwoo annual subscription fee. Hubwoo support is provided by their Global Customer Service (GCS) team and encompasses technical support, supplier enablement, and operational services.
SciQuest Profile

SciQuest is a leading provider of cloud-based business automation solutions that enable greater visibility and compliance organization-wide to help enterprises of all sizes gain control, optimize efficiencies, and reduce spend. SciQuest solutions are easy to implement and are proven to deliver measurable, sustainable value with SciQuest’s high-touch support, analysis, and automation.

SciQuest’s consistent investment in usability, integration, and depth of product functionality have resulted in financial growth, a strong reference base, high customer retention rate, and extensive experience in integrating and optimizing customers’ existing technology investments. SciQuest solutions are primarily deployed in a Software-as-a-Service (SaaS) environment, with some limited on-premise offerings available. SciQuest solutions can be easily integrated with any ERP or financial system for adaptation to customers’ requirements, and can be tailored for an optimal implementation approach based a client’s specific needs. SciQuest provides a comprehensive “in-house” modular portfolio of integrated solutions, rather than a partner-based portfolio. This modular approach makes their solutions scalable, which is a perfect fit for small or large companies alike.

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<thead>
<tr>
<th>Website</th>
<th><a href="http://www.sciquest.com">www.sciquest.com</a></th>
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<tr>
<td>Founded</td>
<td>1995</td>
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<tr>
<td>Headquarters</td>
<td>Morrisville, NC</td>
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<td>Other Locations</td>
<td>US: Newton Square, PA; Pittsburgh, PA; Houston, TX Canada: Edmonton, AB Europe: London, England; Hamburg, Germany</td>
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<tr>
<td>Number of Employees</td>
<td>Over 550 worldwide</td>
</tr>
<tr>
<td>Number of Customers</td>
<td>Over 525 worldwide</td>
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<tr>
<td>Key Clients</td>
<td>Dupont, FedEx, Maersk, Memorial Sloan-Kettering Cancer Center, Starbucks, University of California System, Wells Fargo, Wendy’s QSCC</td>
</tr>
<tr>
<td>Target Verticals</td>
<td>Commercial (including Financial Services, Life Sciences, Utilities, and Chemical Manufacturing), Higher Education, Healthcare, and Public Sector</td>
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Awards

» 2014 Deloitte Technology Fast 500 Award
» 2014 American Business Award – Silver
» 2014 PayStream Advisors P2P Technology of the Year
» 2014 Supply & Demand Chain Executive 100 Award
» 2014 Inbound Logistics Top 100 Logistics IT Provider Award
» 2014 #58 of the 500 Largest Cloud Applications Vendors – Apps Run the Cloud
» 2013 North Carolina Technology Association 21 Award
» 2014 Green Supply Chain Award
» 2012 PayStream Advisors – PayStream Summit Excellence Award for Leading Healthcare eProcurement Technology

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<tr>
<th>Solution Name</th>
<th>Total Supplier Manager</th>
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**Solution Overview**

SciQuest’s best-in-class supplier management software, Total Supplier Manager, incorporates upfront regulatory and business process compliance. The solution is offered as a hosted service and works to automate the process of vendor discovery, information gathering, registration, qualification, and selection, saving users valuable time and money. SciQuest’s Total Supplier Manager solution spans the entire supplier lifecycle, using intelligent questionnaires, streamlined workflows, and process automation to manage vendor registration and onboarding, reduce supplier risk, and enhance the sourcing process. The solution is delivered in a modern, easy-to-use and easy-to-navigate user interface. In addition, it powers supplier diversity programs by giving organizations complete visibility into local and global diverse and non-diverse suppliers.

**Supplier Recruitment**

SciQuest has amassed over 500,000 suppliers in their network due to their easy-to-use, easy-to-onboard, and no-fee to suppliers solution. SciQuest customers are able to invite suppliers to register themselves, making supplier onboarding painless. Once a supplier is invited, they can establish and maintain a supplier profile on SciQuest’s Supplier Network.

SciQuest also provides a Dynamic Qualification module for Total Supplier Manager that allows customers to create internal and external surveys or questionnaires to further vet potential and existing suppliers on various
risk-related criteria, including documentation and certificate collection. This Dynamic Qualification module ensures that current and potential suppliers have the qualifications and resources to meet a customer’s specific needs and expectations. Surveys and questionnaires can be developed and required prior to a supplier being onboarded.

The SciQuest Total Supplier Manager module also provides certificate collection and expiry management, performs an automated OFAC check, and facilitates bulk TIN matching for tax-related reporting.

Supplier Network

The SciQuest Supplier Network is comprised of a wide range of suppliers that can support any industry and commodity. This vast supplier network provides users with a single place to interact with every supplier. The SciQuest Supplier Services team ensures the enablement of suppliers, and supports supplier diversity programs and GPO relationships that offer instant enablement of hundreds of catalogs and thousands of suppliers.

Through the SciQuest Supplier Network, suppliers have the ability to communicate and exchange messages with customers using the SciQuest Accounts Payable Director. Suppliers also have access to notifications received through the Total Supplier Manager or Spend Director solutions. Suppliers are provided with an array of functionality through the SciQuest Supplier Network including the ability to:

» Complete and update their network profile
» Access customer-specific TSM portals to complete or update their supplier registration profiles
» Manage any catalogs being hosted on SciQuest Spend Director customer sites
» Communicate with customers
» Review and action any notifications received from customer-specific sites
» Access training materials
» Manage purchase orders, transmit electronic invoices, and monitor payment status
» Complete basic testing of supplier/customer integration points
» Document technical specifications to aid in a faster enablement turnaround time
» Enter and manage default and customer credentials for all integration points
» Conduct transaction and catalog reports
Electronic Invoicing

The SciQuest Accounts Payable Director solution offers accounts payable automation that can be easily integrated with a user’s existing financial systems, including electronic invoicing. This robust SciQuest solution works to automate invoice receipt, matching and approval, thus accelerating invoice processing times to maximize cash, savings, and the bottom line. SciQuest Accounts Payable Director dramatically reduces invoice processing times, errors, and costs, while eliminating late payment penalties, duplicate payments, and overpayments.

Workflow

SciQuest provides a very robust and highly configurable workflow environment. Customers can configure the dynamic workflow based on their rules to meet specific business needs.

Reporting and Analytics

All data collected through the SciQuest solution is searchable, and reports can be saved and scheduled accordingly. SciQuest Total Supplier Manager provides 2nd tier reporting that allows users to manage 2nd tier programs by giving primes access to online reporting of direct, indirect, or project-based sub-spends, thus tracking associated 2nd tier goals and compliance.

Implementation and Training

Enabling supplier catalogs in a customer’s shopping environment takes four to twelve weeks on average. SciQuest defines the project scope, schedule, integration test plan, and transition to the customer’s live product environment. Following successful completion of the integration project, the Supplier Network Services team transitions the integration to the SciQuest Support team for ongoing production support.

Extensive full-service customer support is available after implementation through the SciQuest Solution portal. The customer support module includes both functional (administrative and supplier functionality) and technical support for any of the SciQuest cloud-based business automation solutions for spend management.

Suppliers are given hands-on training during the enablement process if they are new to SciQuest. In addition, suppliers have access to online training materials including handbooks, quick guides, and training videos through the SciQuest Supplier Network.
Tradeshift Profile

Tradeshift is a global business-to-business platform that helps companies run more efficiently using cloud-based technology to improve processes like invoicing, workflow, and supplier management. Launched in 2010, the Tradeshift network connects over 500,000 companies across 190 countries on a single, shared, and open platform. The Tradeshift network allows companies both large and small to work, collaborate, and transact together by connecting buyers and suppliers electronically and without limitation. The company is headquartered in San Francisco, CA, and has a global footprint with offices worldwide.

Tradeshift delivers real benefits to suppliers including free electronic invoicing, supplier portals, faster payments, and predictable cash flow, which has resulted in their higher-than-average supplier adoption rate. Enterprises also reap benefits from Tradeshift’s network by quickly and easily connecting to more of their supply chain worldwide. The Tradeshift network eliminates barriers to businesses connecting and allows companies to transact and communicate effectively across the globe.

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<th>Website</th>
<th><a href="http://www.tradeshift.com">www.tradeshift.com</a></th>
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<td>Founded</td>
<td>2009</td>
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<tr>
<td>Headquarters</td>
<td>San Francisco, CA</td>
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<td>Other Locations</td>
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<td>Number of Employees</td>
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<td>Number of End Users</td>
<td>500,000+ connected to the Tradeshift network</td>
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<td>Solution Name</td>
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Solution Overview

Tradeshift’s modern, clean and simple user interface makes it extremely easy to navigate their network. The Tradeshift solution is scalable and highly customizable to fit the specific needs of businesses and their supplier network. Applications are built directly into the Tradeshift platform, much like iOS or Google Play applications. If a needed application is not yet available, Tradeshift invites clients and third parties to develop custom applications for the platform, and even has an
incubator project to assist software startups. Tradeshift also provides a business profile page that provides suppliers with a way to showcase their offerings, customer reviews, and contact information. These profile pages provide web presence, verifying suppliers’ credibility as a legitimate business—all at no charge to suppliers.

Tradeshift delivers real benefits to suppliers, which makes them want to use Tradeshift. In turn, enterprises benefit by easily connecting to more of their supply chain worldwide. Tradeshift’s state-of-the-art technology gives suppliers the information they need, when they need it, including status updates and invoice tracking to managing cash flow with early payment programs. Tradeshift’s solution is mobile-friendly and requires zero training, enabling Tradeshift suppliers to manage their documents from any device, anywhere.

The Tradeshift supplier management platform takes the headache out of managing supplier data by ensuring up-to-date, clean data, where suppliers do almost all the work. With Tradeshift, new suppliers don’t go into a business’ vendor management system without providing all the required information in compliant formats. In addition, updates flow across all enterprise resource planning (ERP) systems.

**Supplier Recruitment**

Tradeshift’s rapid supplier adoption rate can be attributed to their simplified supplier registration process and flexibility that facilitates painless integration for any organization. Similar to the methodology used by social networks, step-by-step processes slowly increase the level at which a supplier can access and use the platform. To start, suppliers simply need to create one login for every customer that uses Tradeshift; this eliminates the need to remember multiple logins for multiple clients. The Tradeshift platform allows suppliers to continue to submit invoices via the method they already use, like electronic invoicing, email, or paper. In addition, Tradeshift provides a number of free value-added services to suppliers, including the ability to receive POs, check statuses, input invoices, and create a profile page, as well as gain access to working capital optimization tools such as dynamic discount management (DDM).

On the enterprise side, Tradeshift eliminates rogue supplier entries and duplicates, and empowers suppliers to maintain their own information. The Tradeshift platform collects and validates W-9 information, bank account numbers, and other details enterprises need. The system helps suppliers keep this information up-to-date so enterprises don’t have to.

**Supplier Portal**

While other business-to-business (B2B) networks are simply two-way portals for basic administrative tasks such as getting invoices from a supplier, Tradeshift offers a many-to-many network. This robust and modern network offers integrated
capabilities such as electronic invoicing, collaborative workflow, financial solutions, supplier information management, seamless buyer-supplier communication, supplier profiles, and much more.

**Electronic Invoicing**

Tradeshift's free electronic invoicing enables faster payments and more predictable cash flow for all suppliers, while eliminating manual work and data entry for an enterprise's AP staff. Through the use of subtle hints, Tradeshift encourages suppliers to submit invoices electronically, either through direct submission over the Tradeshift network (e.g., web form, PO flip) or via integrations to back-end systems. The buying organization's business rules are projected onto the supplier during the invoice creation process, prohibiting a supplier from submitting an invoice without all the necessary information. When the invoice is reconciled to the supplier, they are reminded that utilizing Tradeshift electronic invoicing would eliminate this step in the future, thus encouraging full supplier adoption.

Tradeshift's customers use CloudScan to work with suppliers that continue to submit paper or PDF invoices. CloudScan uses advanced artificial intelligence, machine learning, cloud-based data capture, and OCR technology, which means that CloudScan improves with every invoice sent. Suppliers can email their PDFs directly to Tradeshift, which automatically converts their invoices to digital data. They then validate their own information, eliminating the need for AP to manually input invoices received via emailed PDFs or paper. Tradeshift also enforces the buying organization's business rules onto paper or PDF invoices.

**Workflow**

Tradeshift's Collaborative Workflow keeps processes running quickly and efficiently. It integrates with virtually any business process, deploying easily and broadly at the business user level. It also works on every device—smartphone, tablet, laptop or PC—ensuring timely and highly productive process management. This cloud-based tool automates repetitive tasks by matching POs against invoices, goods receipts, contracts, and other documents for straight-through processing (STP). Workflow functionality eliminates bottlenecks and empowers coders, approvers, and suppliers to work together within the documents and gain visibility into errors and missing data with conversations, comments, and status updates throughout the entire Tradeshift workflow process.

**Reporting and Analytics**

Tradeshift provides a wide range of reporting and analytics capabilities around invoicing, workflow, and cash management. This includes dynamic dashboards with drill-down capabilities that track AP and P2P metrics such as touchless processing, cycle time, top 5 suppliers, PO mismatches, coding required, and more. An unlimited number of ad-hoc custom reporting functions are available with
custom application development through the Tradeshift Studio.

**Dynamic Discounting**

Tradeshift provides a DDM solution that allows enterprise buyers to set discount rates and early payment terms appropriate for their goals and business strategies. Suppliers that are already on the Tradeshift network can be invited to participate in DDM by their customers. Selected suppliers can view early payment terms in their “To Do” list as a review item. New suppliers can decide whether they want to participate in future early payment discount opportunities during their onboarding process or at a later date. To help monitor discounting activities, suppliers can view a dashboard showing various metrics, such as the number of invoices paid early, total amount paid early, average days paid early, etc. During implementation, Tradeshift conducts a Working Capital Optimization Workshop during which their experts work with clients’ finance or treasury groups to develop a tailored program designed to capture as many early payment discounts as possible.

**Implementation and Training**

Tradeshift’s implantation and delivery services provide a smooth transformation. For every project, Tradeshift assigns an experienced Delivery Manager to oversee the project implementation and training phases, ensuring that the rollout is successful and that the day-to-day operations can eventually be handed over to the customer. Once an enterprise’s use of Tradeshift becomes a vital part of their daily operations, Tradeshift maintains a close, long-term relationship with their customers to ensure that any arising issues can be communicated and resolved. Tradeshift’s length of implementation depends on the scope of the project and customer readiness. Depending on the project, Tradeshift can get customers started in as little as two to four weeks.

The Tradeshift platform is designed to be intuitive for all users with a natural feel and smooth learning curve, removing the need for extensive formal training. Within the Tradeshift UI, a help icon is available on every screen, which directly leads a user to more information regarding a specific topic. Tradeshift also has a global support staff with multilingual experts, in addition to moderated user support forums. The Tradeshift support services are available 24/7. Incidents on the platform are reported in Tradeshift’s online support and ticketing system, then evaluated and escalated as needed. For critical issues requiring an immediate response, Tradeshift provides an around-the-clock support system of technical experts.
Conclusion

Heavily influenced by the rise of cloud computing, the supplier network landscape has dramatically changed over the past several years. Increased adoption of supplier networks is largely attributed to improved networking functionality and the electronic transfer of documents between buyers and suppliers. This introduces a new level of visibility into trading relationships, and creates an environment in which buyers and suppliers can collaborate with one another in an effort to drive improvement, lower costs and risk, and create more effective relationships that help drive competitive advantage.

In an effort to maximize the buyer/supplier relationship, it is critical that both parties broaden their understanding of how they can connect with each other to share information in supplier networks. As more buyers and suppliers witness the benefits of supplier networks, PayStream predicts that adoption of these networks will continue to grow.