



2017 Supplier Management Report

Leveraging Strategic Supplier Management Technology to
Reduce Risk and Improve Supplier Relationships

Q4 2017 | Featuring Insights On...

- » Supplier Management Trends Among North American Organizations
- » Features and Functionality of Electronic Supplier Network and Supplier Information Management (SIM) Software
- » Supplier Management Best Practices
- » A Few Leading Supplier Network and SIM Software Providers

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Introduction

Managing suppliers safely and efficiently has a great impact on a company's stability and bottom line. These measures are especially important if companies are managing a large amount of suppliers and spend, or if they have complex supply chain processes. Successful business-to-business (B2B) operations depend heavily on communication, collaboration, and trust among all parties. Without proper strategies in place to manage supplier relationships, companies put those operations at major risk.

Organizations can take several steps to effectively manage supplier-related processes, and each step has a varying degree of impact. A first step is to assign a special team to own, monitor, and protect supplier relationships. A second step is to implement a supplier network that gives suppliers a digital platform with self-service tools to perform functions around Procure-to-Pay (P2P) and Source-to-Settle (S2S) functions. A third step—and the most efficient way to ensure long-lasting, compliant, and mutually beneficial supplier relationships—is to combine all efforts and tools with a supplier information management (SIM) software.

SIM capabilities allow organizations to validate suppliers prior to and throughout business relationships, and manage all supplier documents necessary for compliance with governmental, financial, and industry regulations. While a supplier network can go a long way to support efficient supplier management, the combination of supplier network and SIM capabilities truly transforms the process. A holistic set of supplier management tools should include supplier network and SIM services and functionality.

This research report examines the current landscape of supplier management strategies, including use-case trends for supplier networks and SIM tools. It also provides insight into the various tools and services offered with leading supplier management technology, and a set of supplier management best practices.



Today's Supplier Management Process

Traditional Supplier Management

Managing suppliers can take different forms and functions depending on the department, team, or member of an organization. For some companies, such as a small professional services company with no direct spend and very little indirect spend, suppliers are a secondary entity that do not require a lot of time or governance. The business may engage with the supplier infrequently and for varying needs. For many other organizations, such as a large manufacturing company with a complex supply chain and high direct spend, suppliers are highly connected to the success of the business itself. Even companies without direct spend or extensive supply chain concerns may spend millions of dollars on indirect goods and services each year; and managing suppliers can have a direct impact on the efficiency and productivity of their internal operations.

Some companies employ entire teams directly to a process called supplier relationship management, or SRM. This process entails assessing and optimizing an organization's entire supplier base according to both the company's strategic goals and suppliers' characteristics and capabilities. A business may have a separate SRM department or a set of SRM professionals who are installed in many different processes and departments. Some organizations simply have a set of best practices that take an SRM approach, ensuring the approach is applied in various supplier-related activities. The primary goal of an SRM process is to build mutually beneficial relationships with suppliers so that an organization can sustain and profit from these relationships for years to come.

An SRM-minded company will try to maintain as much control over a suppliers' information and activity as possible without damaging the relationship, affecting the supplier's ability to maintain production, or allowing the supplier to damage the company's own credibility. Among today's organizations, the top reasons cited for damaged supplier relationships were almost evenly dispersed between poor supplier dispute/query response times, late payments, and issues related to poor data management, see Figure 1.

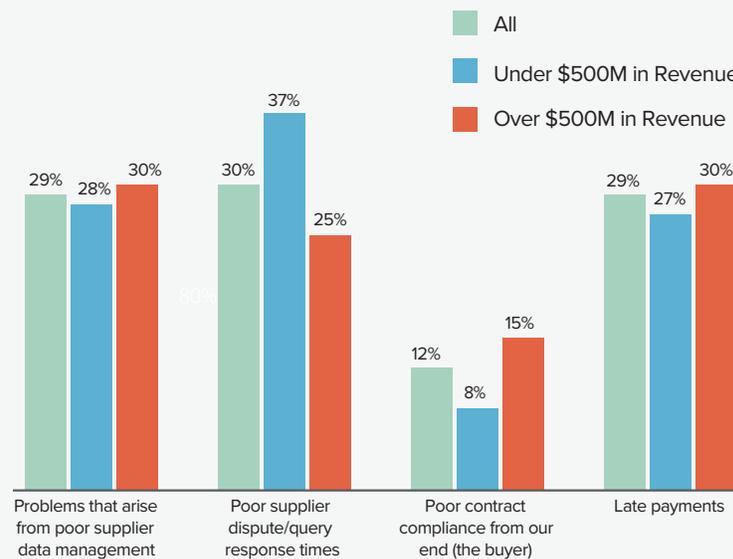
These problems vary slightly by company size. Businesses with over \$500 million in revenue are more likely to list poor supplier data management as the issue that causes the most damage to supplier relationships than business with under \$500 million in revenue, while these smaller businesses are more likely to list poor supplier dispute/query response times as their biggest pain point. These



responses partially reflect the greater number of suppliers that large businesses have—and the greater amount of supplier information they must keep track of. Smaller companies will have fewer suppliers and are less likely to have a special team devoted to managing supplier issues.

FIGURE 1

Top Factors Contributing to Poor Supplier Relationships



Supplier Relationships are Most Affected by Poor Supplier Data Management, Poor Dispute Management, and Late Payments

“What is the pain that causes the most damage to your organization’s supplier relationships?”

&

“What is your organization’s annual revenue in the most recent 12-month reporting period?”

In all of the cases listed in Figure 1, the damaging results were primarily the fault of the buyer, in terms of their supplier management strategies. For example, one of the most common ways companies damage supplier relationships or inhibit supplier production in the back office is by paying suppliers late. A most common instance in which a supplier will damage a buyer’s standing is when the buying organization does not properly vet and validate suppliers. Even if the supplier has not provided correct or legally valid information, or acts out of compliance with the law in some way, the buyer is still responsible for engaging with that supplier. The risks of such engagements can be high—when organizations do not properly manage their suppliers and supplier data, they run the risk of legal repercussions, inefficient supply chain operations, and lost revenue due to high



processing costs. They also run the risk of bad publicity, which can hurt sales and operations in the long run.

Gaining proper control over and visibility into suppliers' activity and information is vital for any company, from the beginning of a supplier relationship to its end. These actions greatly increase a company's ability to achieve their supplier management goals. When asked about their top goals in managing suppliers, most organizations hoped to increase supply chain efficiency and supplier validation and compliance, as well as improve supplier relationships, see Figure 2.

FIGURE 2

Top Supplier Management Goals



Organizations' Top Supplier Management Goal is Improving Supply Chain Efficiency

"What is your top goal in managing your suppliers?"

The most effective software used for proper supplier management also supports other business processes, including P2P and S2S processes. These features ensure that proper management strategies are embedded throughout a company's back-office operations. Successful supplier management entails recruiting highly qualified, legally compliant suppliers; properly managing suppliers' regulatory documents; and maintaining healthy supplier relationships through efficient P2P and S2S processing.



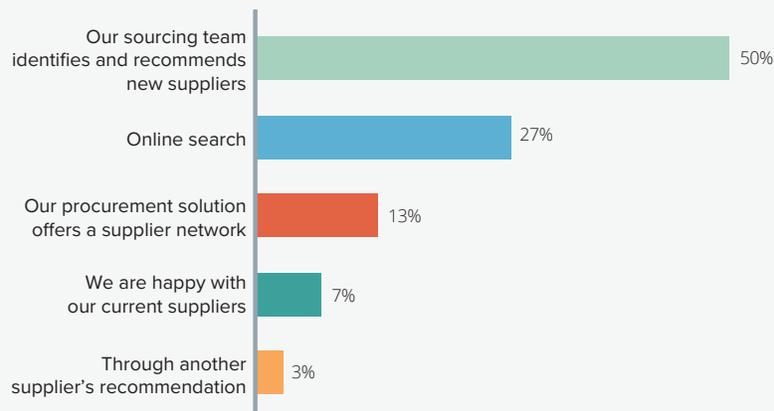
The Supplier Network

Supplier networks are platforms that allow organizations to access their supply base in real time and perform vital financial and reporting functions. Some common tasks organizations can accomplish with supplier networks include gathering and maintaining supplier information and documentation, handling supplier inquiries and disputes regarding accounts payable (AP), procurement, payments issues, and validating payment information. These tools often come bundled within a purchasing management solution like eProcurement, but some stand-alone networks integrate with any supplier-focused P2P or S2S solution.

In contrast to simple supplier portals, in which buyers communicate with existing suppliers, supplier networks also give organizations access to external suppliers. This feature allows them to build new, more competitive relationships, negotiate prices on procurement and sourcing projects, and monitor wider supply chain operations. Figure 3 shows that many companies are still using manual and inefficient methods for sourcing new suppliers. Companies can discover competitive new suppliers for a variety of functions with a supplier network tool. For example, a supplier network that integrates with a sourcing automation solution, or that can at least be used by a sourcing team, will give a company access to a wide pool of validated, suitable suppliers to choose from.

FIGURE 3

New Supplier Discovery Methods



Most Organizations Use Their Sourcing Teams to Discover New Suppliers

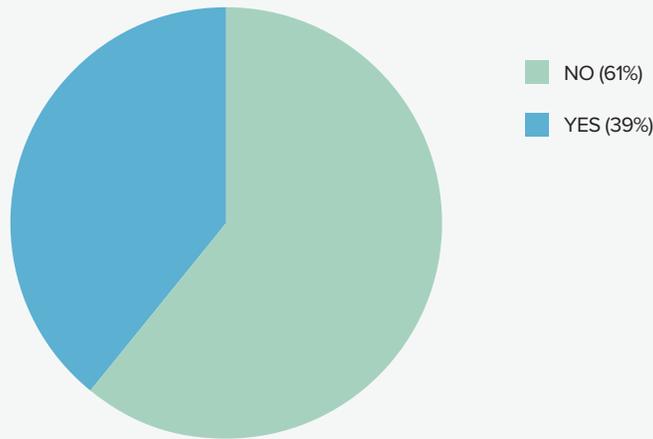
“How do you discover new suppliers?”



According to survey results, only approximately 39 percent of companies are using an electronic supplier network to manage suppliers, see Figure 4. Despite a supplier network’s ability to support some supply chain processes (e.g., sourcing), companies in supply chain-centric industries—such as manufacturing, engineering/construction, and aerospace/aviation/automotive—are less likely to use an electronic supplier network than those in the healthcare, retail, and transportation industries. Level Research believes this evidence is partly due to the fact that supplier networks are more commonly packaged and marketed in line with P2P software platforms. Industries that are more consumer-facing and manage more indirect spend than direct spend (e.g., retail, healthcare, transportation) are also more likely to adopt P2P solutions than those in direct-spend and supply chain-focused industries.

FIGURE 4

Electronic Supplier Network Usage



Less Than Half of Organizations Use Supplier Network Technology

“Does your organization use an electronic supplier network to manage suppliers?”

Higher revenue businesses are also more likely to use an electronic supplier network, primarily due to their larger number of suppliers. Almost three-quarters of businesses with revenue under \$500 million do not use an electronic supplier network; and 48 percent of businesses with revenue above \$500 million use an electronic supplier network.

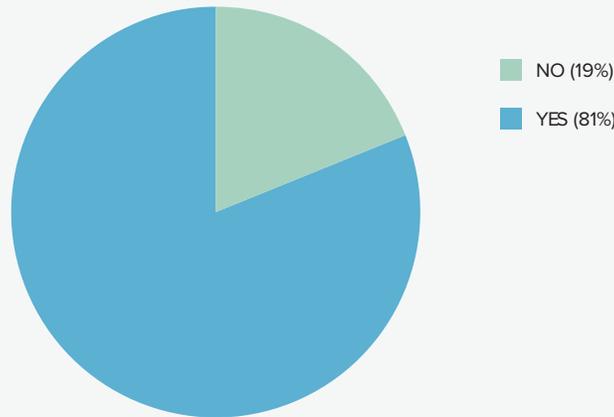
As seen in Figure 2, supplier network tools are proven to achieve one of companies’ primary goals: improving supplier relationships. According to survey



results, 81 percent of organizations that have implemented a supplier network reported stronger supplier relationships than beforehand, see Figure 5. These results specify a supplier network alone—when it comes to supplier information management, the benefits to and improvements in supplier relationships and management can become even more pronounced.

FIGURE 5

**Improvement of Supplier Relationships
Post Implementation**



Over Three-Quarters of Organizations Report Improved Supplier Relationships After Implementing Supplier Network Technology

“Have you seen improved supplier relationships since your company implemented a supplier network tool?”

Supplier Information Management

Supplier information management software is a powerful expansion of the supplier network. Built to go beyond simply managing supplier activity, it handles the complex information, validation, and reporting processes often required in companies with large supplier bases, complex supply chain operations, and/or widespread global operations.

SIM is partly an extended supplier network tool—similar in form and function, but incorporating more dynamic features, more extensive services, and elements of governance, risk management, and compliance (GRC) software. GRC software is vital for compliance with tax and regulatory requirements and maintaining validated, low-risk supplier relationships. SIM solutions store and manage all relevant supplier materials, documentation, and credentials, including:



- » Tax forms
- » Sustainability scorecards
- » Qualification results
- » Certificates
- » Risk assessments
- » Watchlist clearance

SIM offers a portfolio-level view of supplier relationships that enables buyers to segment their suppliers according to type, risk level, and region, and allows them to select a supplier for sourcing or procurement based on more strategic parameters. It also greatly reduces the risk of data, compliance, or legal problems arising downstream in supply chain processes.

SIM solutions streamline supplier data management by consolidating documents into one cohesive and dynamic system, and reduce communication difficulties by offering suppliers valuable self-service and help desk tools. Sometimes SIM is offered as a stand-alone, plug-in tool, while other times it is bundled within a more robust supplier network tool. The best way to use a SIM tool is in conjunction with a supplier network. By taking this comprehensive approach, organizations can manage their suppliers across a wide variety of circumstances and processes.

The pain points and goals involved in supplier management, as demonstrated in Figures 1 and 2 (pages 5 and 6), help to illustrate how supplier networks and SIM differ in the ways they support organizations' supplier management needs. For example, top issues that contribute to damaged supplier relationships are poor supplier dispute/query response times, the effects of poor supplier data management, and late payments; while the top goals are increasing supply chain efficiency and improving supplier risk management. Table 1 shows how SIM and supplier networks alleviate pains points and achieve goals, as well as how a combined effort does so.



Solution	SIM	Supplier Networks	Combination
Applicable Pain Point (Figure 1)	Problems that arise from poor supplier data management	Late payments Poor supplier dispute/ query response times	Poor contract compliance (buyer-side)
Applicable Goal (Figure 2)	Improving supplier validation/reducing risk, and improving adherence to corporate vendor compliance regulations	Improving response times to supplier inquiries Reducing the burden of inquiries on our organization Improving transparency and communication among suppliers	Improving supplier relationships Increasing supply chain efficiency

Due to the many difficult and broad goals and challenges organizations face in their supplier management, Table 1 shows that a simple approach is not adequate to achieve full control and improve the process. To manage suppliers to the best of their ability, an organization must move beyond simply offering a supplier sign-on page, which lets a supplier look at an invoice or payment. It must consolidate the entire supplier relationship into one dynamic platform that combines the functionality of a supplier network with the transparency and comprehensiveness required to successfully manage supplier information.

Leading holistic SIM solutions offer this dynamic ownership of the supplier management process. The best way to use a SIM tool is in conjunction with a supplier network, or by implementing a holistic solution that offers the functionality of both tools. The following details the features and functionality offered with leading supplier network and SIM software.



Leading Supplier Management Software

The following tools and services are offered by most supplier network and SIM software providers. They are meant to provide both comprehensive buyer-side control and value-added, self-service supplier functionality.

Leading supplier networks and SIM solutions offer:

- » *Support across the back office.* Many leading SIM platforms offer integration points for existing P2P and S2S solutions, enabling organizations to unify all supplier activity in their P2P processes and create one source of data for strategic financial, legal, and business decisions. Integration increases P2P and S2S process efficiency and improves processing times, costs, and supplier relationships.

Some supplier networks and SIM solutions already offer at least some AP and purchase order (PO) functionality, while many also offer electronic payments support. These capabilities may include PO transmission and routing to suppliers, invoice creation and submission, and communication tools for all supporting P2P documents. Some solutions also support more intensive procurement features, including catalog management, inventory, and shipping and receiving management.

- » *Secure supplier onboarding.* Advanced supplier management solutions incorporate supplier onboarding tools to ensure that a supplier is a secure and compliant business partner from the beginning of the relationship. Supplier validation measures are checked against thousands of rules based on payment method, currency, and country. These measures may be enforced using smart forms and document workflows to ensure that data is entered properly; and many providers legally verify suppliers by running them through international Do Not Pay lists, such as the Office of Foreign Assets Control's list.
- » *Clean supplier data.* Many organizations struggle with faulty data in their supplier master files and may host this information for years without the transparency or time to drill down into the issues and fix them. SIM providers create cleaner data by validating information when suppliers first submit it; and some perform vendor master file cleansing and enrichment upon starting a contract. This process involves collecting all the disparate vendor data related to different regions, countries, systems of record, and divisions



to identify and remove errors. Some providers even reach out to suppliers to correct the data.

- » *Dynamic search capabilities.* Supplier management solutions provide organizations with a single, centralized repository for their suppliers' company and contact data, and allow them to search through this data in dynamic ways. Buyers can perform quick keyword searches and advanced filtered searches of the directory using a variety of parameters, including region, type, and classification. This search tool allows organizations to select suppliers for more strategic initiatives, such as sourcing, category management, or AP automation onboarding.
- » *Tax compliance support and secure global payments.* One of the most pressing issues organizations face is maintaining compliance with increasing and ever-changing international legal and tax regulations. This is especially important for organizations making overseas payments to many different international suppliers.

Leading SIM providers are informed on current tax and payment requirements, and work to make compliance processes less complex for their clients and their clients' suppliers. Many solutions assist P2P departments by automatically gathering the correct tax form and tax ID information from suppliers prior to payment, preventing tax and regulatory issues before it is too late for corrections. Some solution providers notify their clients of regulation changes that might affect them, while others help streamline more complex overseas financial requirements, such as the Foreign Account Tax Compliance Act. A SIM solution's knowledge of global tax and payment requirements helps to streamline overseas payments. SIM solutions that facilitate communications between payees and suppliers will provide suppliers with real-time status on their payments, help resolve payment errors, and automate payment reconciliation.

- » *Supplier validation, risk assessment, and scoring.* Validating overseas suppliers can be a complicated and error-prone process, and engaging with a high-risk or illegal supplier can have dangerous consequences. Today's organizations are also concerned with maintaining the integrity of their supply chain operations; many avoid working with suppliers that do not follow ethical standards in their manufacturing and employment operations. SIM solutions offer many supplier validation services to thoroughly vet



suppliers, allowing organizations to gauge each supplier's risk level and monitor and score their activity. Some providers offer these tools natively, while others integrate with third-party validation services to give clients access to more extensive security and validation tests. Required validation forms and reviews can be configured in an onboarding workflow based on the type of supplier, and can be used to identify characteristics about a supplier, such as whether it qualifies for diversity status.

- » *Supplier self-service and AP help desk support.* Most supplier networks and SIM solutions offer dynamic self-service portals with tools for profile management and troubleshooting. Suppliers can update their profile information, enter payment information, and import documents such as contracts, insurance certificates, and tax forms. These portals also give suppliers the ability to check on invoice and payment statuses via the platform, and offer help desk support features like online ticketing systems for supplier queries. By moving dispute resolution from the phone to the portal and giving suppliers the chance to maintain their own information and solve their own problems, buyer-side staff can spend more time on high-priority issues.
- » *Supplier outreach.* Many supplier network and SIM solutions allow buying organizations to send targeted, custom messages to large groups of suppliers at once and facilitate the creation of surveys, questionnaires, and other web forms. A buying organization can also request documentation or ask that a supplier participate in a risk or validation review. A detailed audit trail of supplier activity allows enterprises to obtain real-time updates via reports and dashboards. Some solutions also include reminder capabilities to ensure that suppliers complete high-priority initiatives in a timely manner.



Supplier Management Best Practices

Managing suppliers successfully cannot be done with a software tool alone—organizations must also use strategic and careful management techniques from technical onboarding and throughout the supplier relationship. The following best practices outline how to leverage both technology and strategy in supplier management.

Technology Onboarding

- » *Educate Suppliers* – It is important to onboard as many suppliers as possible to the supplier management software for many reasons. One of the main reasons, especially in the eyes of C-suite and upper-level stakeholders, is to ensure ROI from the technology investment. Unfortunately, suppliers have been historically reluctant to join supplier networks and other B2B platforms because of their belief that the gains would not outweigh the expenses of supplier network fees, training time, and complicated registration requirements. However, supplier networks have adapted the current needs of both buyers and suppliers, and solution providers have removed many adoption barriers. Few networks charge suppliers a fee to participate; and if they do, the fees are typically very low. Today’s technology is more intuitive than in previous years, thus requiring minimal training, and registration and onboarding have become simple and quick. Modern supplier management tools also offer many more value-added services to suppliers, making adoption a strategic advantage. Organizations should educate their suppliers on the current flexible commitment requirements of supplier networks and SIM tools, as well as the benefits the suppliers stand to gain if they participate.

- » *Prepare an Onboarding Campaign* – Leading SIM solutions offer a variety of onboarding strategies, and solution providers regularly develop new ways to reach out to suppliers. Organizations should first evaluate their supplier base in order to gauge the current culture and technical maturity of these companies. For example, technologically advanced suppliers will be easier to onboard through an email campaign than those operating under mostly manual, paper-based processes. The latter group will require different strategies, such as phone or mail-based outreach. Next, businesses should work with a provider to strategically structure and orchestrate an onboarding campaign that will achieve the highest amount of participation. Organizations should choose a solution provider that understands how to segment



suppliers strategically and how to use different onboarding methods for different segments. Some supplier management providers offer teams of onboarding specialists to run large-scale onboarding campaigns, personally reaching out to suppliers through phone, email, and mail with invitations to join the network. These teams may also help the buying organization create invitation templates for their own outreach campaigns, as well as configure registration landing pages on the company's website.

- » *Onboard Strategically* – Not all organizations have the bargaining power to force suppliers to register for their network or SIM solution; and suppliers' ability to simply take their services and their competitive prices elsewhere is a legitimate risk. However, when the circumstances are suitable, organizations should do their best to be assertive and persuasive with their supplier base, giving at least some of their suppliers deadlines for registration and stressing the importance of participation. Suppliers should be fully and properly informed on all the values of a supplier network or SIM tool, including the value of more efficient processing, more secure interaction, and improved data exchange. If an organization cannot make all of its suppliers join the solution upon implementation, it can set up a plan to phase out and replace suppliers that are unwilling to participate over time. By the end of this timeline, the buying organization will hopefully be working only with suppliers that are fully validated, financially secure, and low risk and that benefit their supply chain health.

Supplier Base

- » *Clean and Segment the Supplier List* – When a company onboards its supplier list into a supplier network and SIM solution, it should take the time to clean and strategically segment this list. Many supplier management software providers will offer their clients services to assist with cleaning vendor master files and segmenting suppliers. Segmenting the supplier base is a vital function for organizations that want to use their suppliers to improve their operations and competitive advantage. It allows an organization to engage with different groups of suppliers using different approaches. Segmenting the supplier base prior to using supplier management software is like fixing a broken current state prior to automation—it improves the success of an automation initiative. When the supplier base is properly segmented, the use case and value possible with supplier network and SIM tools are broadened and enhanced.



- » *Reevaluate Existing Supplier Contracts* – Long-standing, comfortable supplier relationships can cause a company to grow lax when it comes to monitoring and updating contract terms and pricing agreements. However, a business may leave a lot of cash on the table by doing so. As organizations bring their suppliers into a digital environment, they should reevaluate existing contracts and agreements, identifying those that are no longer cost-efficient or sustainable.
- » *End Relationships with Damaging Suppliers* – As companies evaluate their existing contracts and agreements, they may discover many items in their supplier records that are noncompliant or legally ambiguous. If an organization is unknowingly engaged with a supplier that has not maintained compliance with items like certifications and tax requirements, the company is putting itself at risk. For example, a supplier with which a company has had a decade-long relationship may have recently operated in a way that landed it on an international blacklist. A “don’t ask, don’t tell” approach is not strategic, and a company should make sure it is informed of its suppliers’ current activity.
- » *Align the Supplier Base with Future Goals* – As a company segments its supplier base and gains access to tools that enable it to engage with new, more competitive suppliers, it also can broaden its operational goals. With a broader and stronger supplier base, a company can scale to new areas, either in terms of production or geography. The company should select new suppliers with these goals in mind. It should also work with its supplier network/SIM software provider to make sure its management strategies are in line to support its future business expansion.

Supplier Partnership

- » *Maintain Open Lines of Communication* – As Figure 1 shows (page 5), one of the main reasons for damaged supplier relationships is poor response times to supplier disputes and queries. However, poor communication can be a problem in other areas than just those related to invoices and payments. If a supplier feels unheard in other areas of the relationship, an organization may not be able to sustain the relationship for long or gain the greatest value from the relationship. Just as a buyer prioritizes some suppliers over others, a supplier can prioritize or de-prioritize a buyer—and offer a varying quality of service. If the supplier already feels that there aren’t proper communication



channels in place, it may be more resistant to onboarding to a supplier management tool. The organization should be sure to improve its outreach to suppliers by leveraging the solution's communication tools as much as possible and work to repair the damage caused by past bad experiences.

- » *Offer Consistent Support* – In addition to using technology to improve supplier communication, companies should do so in terms of supplier support. Fortunately, supplier network and SIM solutions offer a robust set of tools for this component of supplier management. Organizations should talk to their provider about how to build out support programs strategically and according to different supplier segments. For example, they can use their solution to send out surveys to suppliers, asking for concerns, questions, and suggestions for improvements in the relationship. Simply asking for feedback can be extremely beneficial to those relationships.



Coupa

Coupa was founded in 2006 and is headquartered in San Mateo, California. In October 2016, Coupa became a public company with its IPO under the ticker COUP. Coupa’s holistic S2S suite also includes travel and expense management, inventory, analytics, contracts, inventory, sourcing optimization, AI classification, supplier information, and supplier risk management modules.

Founded	2006
Headquarters	San Mateo, CA
Other Locations	15+ global locations across North America, EMEA, and APAC
Number of Employees	700+
Number of Customers	530+
Target Verticals	Financial Services, Healthcare, Energy, Manufacturing, Retail, Professional Services, Food and Beverage, Technology
Partners/Resellers	KPMG, Deloitte, Accenture, PwC
Awards/Recognitions	Levvel Research 2016 P2P Automation Navigator, scoring highest in Proficiency; Forrester Wave for eProcurement 2017, scoring highest in Current Offering and Strategy, respectively; Gartner Magic Quadrant for P2P Suites 2016, scoring highest in Ability to Execute; Forrester 2016, among Top 6 SaaS Breakout Vendors

Solution Overview

Coupa offers a comprehensive spend management solution that was designed in the cloud, and the company builds each new application on a common data layer. The company services customers from \$50M to more than \$100B annual revenue in over 100 countries and with more than 3 million connected suppliers.

Coupa works to combine spend activity and supplier performance management to help its customers manage suppliers more effectively. For example, the solution will stop a supplier invoice if the supplier’s data is invalid, incomplete, or expiring within the SIM module. Or, the solution will display spend activity in the context of supplier risk scores, and give users the ability to easily put transactions on hold if a supplier’s score raises concern. In all, Coupa’s solution unifies supplier management in the context of spend transactions, contracts, and sourcing.

In order to enhance B2B interaction with more of an organization’s suppliers, Coupa does not force suppliers to communicate with buyers via the Coupa



Supplier Network. Instead, suppliers can use Coupa Supplier Actionable Notifications to receive and acknowledge POs, submit invoices, and receive status updates via email—all without having to register or sign in to the network.

Coupa employs enablement experts that help an organization determine the best way to work with its suppliers. In some cases, the enablement team can help a company onboard all their suppliers, contacting each of them to explain the options available to them and the benefits of transacting online. In other cases, the team will contact a subset of suppliers and train an organization's internal teams on how best to engage with other suppliers.

Coupa provides over 100 pre-built reports that can be generated through an intuitive web interface, and users can build their own custom views and self-schedule reports that are automatically emailed. Reporting dashboards can be set up for different business levels, featuring real-time graphical views that provide critical insights into spending management performance, supplier performance, liquidity, and other areas.

Coupa Risk Aware offers a modern approach to operational risk management by bridging the gap between legacy supplier risk applications and spend transactions. Risk Aware uses Coupa's community intelligence and third-party data to enable supplier risk scoring. These risk scores are surfaced in real time across the platform. This enables users to take immediate action while in the midst of a sourcing process, or while working with contracts, invoices, requisitions, or purchase orders.

Implementation and Pricing

Coupa uses both internal professional services resources and Coupa's Certified Implementation partners to support clients' global implementations. These partners work with each client to define and establish their preferred method of support during implementation. Coupa currently has over 100 professional services resources and over 1,000 certified partner resources. Individual partner resources must go through a structured certification program to be able to implement Coupa.



Determine

Determine is a global provider of S2S solutions with more than 21 years of experience working with organizations of all sizes across all industries. To meet the needs of its clients, Determine offers the Determine Cloud Platform (DCP) with a suite of applications, which helps companies optimize, streamline, and automate supplier, contract management, procurement, and AP processes. As part of the DCP, Determine's Supplier Management solution provides supplier information, certification and compliance management, and performance scorecards to a wide variety of stakeholders. From a single platform, Determine Supplier Management works with other modules, including sourcing and procurement, as well as contract, invoice, financial, asset, and inventory management.

Founded	1996 (as Selectica; renamed Determine in 2015)
Headquarters	Carmel (Indianapolis), IN
Other Locations	Atlanta, GA; London, England; Paris, France; Aix-en-Provence, France
Number of Employees	160+
Number of Customers	250+
Target Verticals	Finance, Retail, Manufacturing, Biotech / Pharmaceutical, Healthcare
Partners/Resellers	Aerexchange, A.T. Kearney, Proximity, TPG
Awards/Recognitions	Spend Matters, Top 50 Providers to Know 2015, 2016, and 2017; CFO Tech Outlook, Top 10 Accounts Payable Solution Providers 2017; CIOReview, 20 Most Promising Enterprise Contract Management Solution Providers 2016

Solution Overview

As part of the DCP, Determine Supplier Management is built on the Determine Core, a technical foundation that provides a baseline for managing key areas such as metadata, master data, and business processes, and enables many business and technical components on the platform. Key among these components is the decision rules engine for operationalizing business event patterns based on workflow, events, or predictive (statistical) models and combining them with contextual information. Another important feature is the built-in enterprise application integration for integrating with popular ERPs and other data sources. The solution currently supports all currencies and is available in more than 20 languages.

Determine Supplier Management provides extensive questionnaire and



surveying capabilities for gathering documentation related to certifications and other regulatory compliance requirements. Supplier validation and information management is initiated during onboarding, for which custom workflows can be created to validate suppliers, as well as throughout the supplier relationship for certification management and expiration tracking.

The solution also provides an internal workflow to allow buyers to review supplier documents. The platform has a detailed audit trail capability to provide visibility into all supplier-related audit requirements to help identify issues related to fraud, racketeering, or embezzlement. In order to help companies assess and manage supplier risk, Determine also partners with a variety of third-party risk management providers, including Bureau Van Dijk, Dun & Bradstreet, EcoVadis, Experian and Provigis.

Determine's self-service supplier portal enables suppliers to engage with their customers through integrated S2S capabilities on the Determine Business Network. These capabilities include certification, catalog, RFX, and quotation management. Suppliers can use the portal to manage POs and communicate about order status, as well as to flip POs to invoices to begin the reconciliation and payment process.

Determine Supplier Management also identifies supplier issues and provides the information needed to resolve them. The solution offers different strategies for Action Plan Management across a variety of dispute types, including quantity, product conformity, delivery delay, and price discrepancy. The buying organization can customize users' views based on permissions; for example, one user may only see his or her own action plans, while another can see all action plans from his or her department. Suppliers can submit disputes directly from the supplier portal.

Implementation and Pricing

A Determine solution implementation typically takes up to three months to complete. After implementation, application support includes phone and email-based error resolution and technical troubleshooting. Standard support is available Monday through Friday from 8 a.m. to 8 p.m. EST (excluding holidays). Determine's pricing structure is based on the complexity of the client's organization (number of countries or companies), the solution modules being implemented, and the number of named users in the application. This pricing can be presented either a la carte or bundled.



GEP

GEP is a procurement technology developer with more than 15 years of experience in deploying Procure-to-Pay and Source-to-Settle solutions. With its P2P/S2S platform, SMART by GEP®, the company has made it possible for all tasks in the purchasing and payables processes to be carried out in one system and from any device. The unified platform is designed to automate and accelerate the management of a strategic indirect spend program, with automation for spend management, procurement, sourcing, contract management, order management, supplier self-service, and invoice processing.

Founded	1999
Headquarters	Clark, NJ
Other Locations	London, Prague, Mumbai, Shanghai
Number of Employees	c. 2,600
Number of Customers	>200
Target Verticals	All

Solution Overview

SMART by GEP is a highly secure, cloud-native procurement platform developed on the Microsoft Azure cloud. All of GEP's development, data handling, and operational facilities and systems are certified to SSAE16 standards. GEP uses a web-based methodology to integrate with its customers' third-party systems. The solution is mobile-native and works on any browser or platform.

GEP Nexus is a global supplier directory available to SMART by GEP users for supplier discovery. By leveraging GEP Nexus, buyers can invite new suppliers to participate in sourcing events, questionnaires, preliminary discussions, and pre-registration activities. Supplier onboarding is managed by GEP for the buying organization. GEP uses a phased approach to examine the customer's current supplier landscape, segmenting out high transaction-rate suppliers and suppliers of high strategic value before moving on to the rest of the supplier base. The buying organization can reach out to suppliers on its own, or GEP can run supplier onboarding campaigns on behalf of the customer.

Supplier registration management is tailored to each buying organization. The levels of supplier registration required vary depending on the task at hand, such as a simple sourcing event or a more complex EDI integration. SMART by GEP enables the customer to customize registration forms and other required materials to ensure that suppliers are providing the correct information and credentials.



SMART by GEP gives suppliers access to all of the platform's S2S offerings and capabilities. Its supplier portal allows suppliers to manage procurement catalog information, provide responses to sourcing questionnaires and RFxs, participate in sourcing events, collaborate on contracts, and manage order-to-invoice processes. The portal supports buyer and supplier communication through these processes with structured Rfx responses, contract redlining and negotiation capabilities, and chat messaging during live auctions.

The company natively accepts supplier-originated invoices through the SMART by GEP portal. In addition, supplier systems can be integrated with SMART by GEP for the purpose of order or invoice transmission using EDI and/or cXML standards. For customers working to convert their paper invoices to electronic invoice formats, GEP first identifies, targets, and onboards those suppliers that send the largest volume of paper invoices.

SMART by GEP offers a set of robust supplier self-service and B2B collaboration tools, such as profile and certificate management, collaboration on IT security, and safety standard compliance. Suppliers can also engage in credentials and relationship management, which includes performance scorecarding.

The supplier management solution is adaptable to any compliance requirements. Organizations can integrate their specific policies and regulatory models into the platform's architecture by creating forms and performance scorecards for acquiring specific validation documents and certifications. Users and key stakeholders are notified of upcoming expiration dates and terms requirements. Buyers can request information from suppliers through outreaches that can be deployed regionally, by category, or by business unit, and to any number of suppliers. The buying organization can also set up controls around how a supplier updates its information, ensuring that vendor information, catalogs, certificates, and all other data is maintained according to the buying organization's rules. In addition, the buying organization can evaluate and rate suppliers' risk according to pre-configured supplier risk factors (e.g., financial stability, criticality of supply, environmental impact). The platform is also open to the integration of supplier risk data from third-party sources.

SMART by GEP is built upon a data warehouse model for reporting and dashboards, providing the end user with access to all data across the procurement landscape. Its reporting services include dashboards and drag-and-drop, ad hoc reporting functionality that allow users to create reports based on any parameter captured within the system. Users can generate custom reports,



which then can be added to the dashboard, viewed in graphical format, exported in multiple formats, and scheduled at a desired frequency. The platform also supports customization of dashboard views per individual users' requirements.

Implementation and Pricing

Implementation of SMART by GEP includes customization to the client's business processes and robust customer support to drive end-user adoption. During the implementation and preproduction phases, GEP provides detailed training divided into three parts: system overview, screen navigation, and functionality. Training is offered both on-site and remotely via web conferences. Post-implementation, GEP provides phone and web-based support. GEP's global customer support staff is based out of three regions (U.S., Europe, and APAC) and is available 24 hours a day, Monday through Friday.

SMART by GEP is an annual subscription-based service priced on a function-by-function basis, largely according to the annual number of users of each function. Pricing factors include number and type of users, interface languages, and support services.



HICX

HICX is a supplier data management software provider that offers a flexible, cloud-based solution to companies in the mid-market and large enterprises. The HICX platform was launched in 2012 and quickly gained traction in Europe and North America among Global 2000 companies. The platform helps companies with complex procurement, finance, and supply chain processes manage suppliers and suppliers' data in one centralized, transparent system. HICX helps manage over 1.2 million suppliers across all its customers.

Founded	2004
Headquarters	London
Other Locations	Dubai, UAE; Chicago, US
Number of Employees	30
Number of Customers	20
Target Verticals	Aerospace & Defense, Automotive Retail, Energy, Pharma, Facility Management, Contingent Workforce, Consumer Goods, Apparel

Solution Overview

HICX offers extensive security, including physical-, hosted-, and web-based features, as well as encryption and user authentication measures. The HICX solution is hosted on Rackspace, and therefore leverages Rackspace's security certification and strict security policies.

The solution provides integration capabilities through a well-defined integration data model. The system connects to a wide range of endpoints including all major ERPs, APIs, and flat files. The solution also easily integrates with a large number of third-party data sources to deliver external validations and additional supplier management services. Some of these partners include D&B, Experian, Lexis Nexis, and USPS. HICX is available in a web-based mobile application that gives users full functionality on any device.

The HICX platform provides customers with the ability to centralize many transaction types (PO, invoice, etc.) across multiple systems without requiring all activity to happen in HICX itself. This allows customers to leverage HICX's supplier management tools with any of their existing S2S or P2P solutions without losing the integrity of their data or control over their supplier relationships.



All of a client's suppliers are loaded into HICX upon go-live to allow immediate use of the system, without the need for suppliers to be registered in the vendor portal. To help register suppliers in the clients' vendor portal later on, HICX allows customers to send supplier invites in bulk and provides automated reminders and assistance to help move the suppliers through the onboarding process. There is also an option for potential suppliers to self-register on the vendor portal to facilitate discovery for future engagements. Clients can manage onboarding through the platform, where they can build customized workflows to ensure suppliers complete all necessary documentation and validation. Clients can also request information, set tasks for suppliers, and check the progress of their requests to suppliers.

In the self-service portal, suppliers have many tools and capabilities. They can view workflow tasks and alerts as well as manage their information regarding their profile, locations, and bank accounts. Suppliers can perform a few P2P and supply-chain related functions, including viewing and searching purchase orders, flipping POs to invoices, viewing and searching invoices, and submitting AP inquiries. Suppliers can also view and update compliance requirements, including those regarding diversity, insurance, health and safety, anti-corruption, anti-bribery, quality, sustainability, and environment initiatives. All additions or changes to master data and compliance information are sent through a workflow for the appropriate member in a client's organization to review; upon validation and approval, the solution updates the client's systems accordingly.

HICX has a master data management module that is designed to facilitate the process of bringing together multiple ERP vendor master files and establishing rules for vendor master file management. HICX also provides clients with access to vendor master file cleansing services through several partners.

HICX proactively maintains supplier data integrity in the portal by regularly prompting suppliers to update information when items are nearing the end of their lifespan (i.e., certificates of insurance). HICX clients have access to all supplier data managed in the supplier portal, and are able to search through that data with advanced search functions. Users can save their searches to compile lists for use in other areas of the system.

HICX offers a configurable workflow engine that can be used to route supplier-related documents among departments as required. The solution maintains a full audit trail along with the document history. When addressing compliance, clients can set up workflows called "initiatives." Clients can set up compliance initiatives



as part of supplier due diligence processes during supplier onboarding. Initiatives can be structured to perform various activities, such as ask questions, calculate scores for segmentation, provide documents for download, and request documents for upload. Initiative responses are routed to the appropriate stakeholders for review and approval, and any documents provided are stored with the relationship record. Compliance initiatives can also reoccur periodically, allowing the system to solicit revalidation at specific intervals.

Clients can also assess supplier risk as part of the onboarding process. For ongoing supplier risk management, HICX provides an evaluation functionality that enables clients to set up their risk metrics and automate the process of gathering and scoring suppliers. HICX has many third-party data partners that can collect financial, political, environmental, and social information to form part of suppliers' risk models. HICX also partners with third-party data providers to identify which suppliers within a client's supply base have a diversity status.

As a globally deployed platform, HICX supports multi-currency and multi-language requirements. It also includes auto-translate features for both fixed and customer-defined content. HICX maintains its own repository of global rules and standards, and leverages several punch-out tools for data validation (e.g., US, UK, EU VAT, Bank Data). For FATCA compliance, HICX has created a decision-tree questionnaire to help guide suppliers in completing the appropriate W8 form. HICX is currently in the process of having its system certified by the IRS for eW8 submissions.

Implementation and Pricing

Average solution implementation is 12 weeks. HICX provides train-the-trainer instruction during the implementation process and a technical helpdesk for admin users after implementation.

HICX solution pricing involves a marginal user fee and an annual license fee, which is set according to supplier volumes, number of system connections, and deployed functionality. Implementation entails a one-time cost charged according to the complexity of the implementation.



About Level Research

Level Research, formerly PayStream Advisors, is a research and advisory firm that operates within the IT consulting company, Levvel. Level Research is focused on many areas of innovative technology, including business process automation, DevOps, emerging payment technologies, full-stack software development, mobile application development, cloud infrastructure, and content publishing automation. Level Research's team of experts provide targeted research content to address the changing technology and business process needs of competitive organizations across a range of verticals. In short, Level Research is dedicated to maximizing returns and minimizing risks associated with technology investment. Level Research's reports, white papers, webinars, and tools are available free of charge at www.levvel.io

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