



2019 Sourcing Insight Report

A Buyer's Guide to the Electronic Sourcing Use Case

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- » Today's Sourcing Trends
- » Methods of Automating the Sourcing Process
- » Recommendations for Organizations Adopting a Sourcing Solution
- » A Leading Provider of Sourcing Automation

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Introduction

The sourcing process is designed for forward-looking companies. They understand that optimized purchasing—whether for direct goods going into the final output, or indirect goods that keep the company operating—increases the value of their end products and services. Incorporating a strategic sourcing philosophy at the beginning of the procurement lifecycle helps companies prudently spend their money, find and maintain relationships with high-quality, low-risk suppliers, and create a strong starting point for the rest of the Source-to-Settle (S2S) process. It establishes a process that is compliant, economical, and most importantly, drives long-term organizational value.

Not all organizations have an official sourcing process, team, or tool, and many do not leverage methods such as RFX events, supplier scoring, or reverse auctions. Sometimes this is a result of low procurement spend or a failure to see a use case. In other instances, it is a lack of education on the value of sourcing automation for improving a company's supply chain management.

Level Research has observed that the use cases for sourcing technology are growing, in part due to the combined effects of globalization and technology on market mobility; smaller organizations are more able to participate in international supply chains than they were a few decades ago. Beyond the strategic value, research shows that migrating from manual to automated sourcing one can improve visibility, boost supplier performance, decrease spend, increase savings opportunities, and strengthen reporting and analytics.

Level Research has observed the following trends regarding automated sourcing in 2019:

The sourcing automation adoption rate is increasing. Sourcing automation has seen a much higher increase in adoption rates than other steps in the S2S cycle—jumping by over 50 percent since 2017. Level Research attributes this in part to improved software provider messaging of what automating sourcing can do for an organization. For example, many providers are framing themselves not as software tools, but as “strategic partners.” This partnership approach makes users feel as if both sides are invested in ensuring implementation, rollout, and usage are executed as smoothly as possible. Since sourcing is typically the first phase of the S2S process, organizations may also see it as an entry point to automating their back office. Additionally, an increasing number of providers are



offering tools for the entire S2S process, either by building their own tools, acquisitions, or via partnerships with other providers; therefore, buying organizations are increasingly exposed to a suite or platform technology approach (versus a standalone tool).

Sourcing automation is being driven by the market as a whole. Level Research has observed that the push to automate sourcing has not been overwhelmingly popular in any one industry or organization size. The ratio of manual to automated organizations is more similar across industry and company size than in other parts of the back office. While the AP and procurement automation rate of enterprises can be twice that of mid-markets, this difference is smaller in sourcing.

Sourcing automation implementation choice differs by size and industry. In AP and procurement, the growth of cloud-based tools represents the primary component in the increase of automation, while ERP and homegrown tools have stagnated or decreased in popularity. In sourcing, though, a fair amount of organizations still choose to automate with tools that are cloud-based, such as ERP-based solutions. In both payables and procurement, only 7 percent of organizations use a homegrown tool for automation; in sourcing, the percentage is early double that. The type of tool companies use to automate also varies across industry. Some industries, such as IT, healthcare, and utilities, favor ERP-based tools, while others, such as engineering and manufacturing, have a higher rate of homegrown tools.

This report includes a guide to evaluating whether an organization needs to automate its sourcing, provides information to help organizations identify their unique use case for sourcing automation, and serves as a buyer's guide to sourcing software. It details how automating sourcing can strengthen a company, the types of tools organizations use to automate, and the features that are included in those tools.



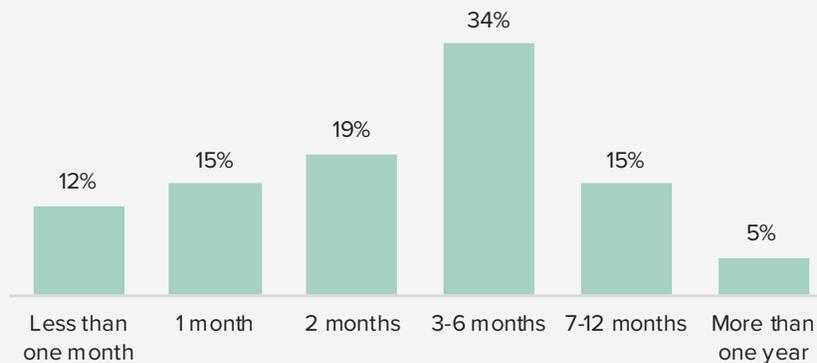
Current Sourcing Technology Usage

To gauge current sourcing technology trends, Level Research conducted a survey across more than 300 North American business professionals across a variety of industries and organization sizes. This section explores the current state of sourcing technology usage among those organizations.

The use case for sourcing technology typically depends on the structure and complexity of the organizations' procurement function, the amount of spend across direct and indirect goods, and the level of efficiency within the current process. Industry and size-related¹ factors also impact the use case. For example, when asked how long completing a sourcing event (from supplier discovery and engagement to order fulfillment and payment) typically takes, more than a third of companies surveyed indicated that they complete sourcing engagements in three to six months (see Figure 1). The process generally takes longer for larger organizations—for 9 percent of surveyed enterprises, sourcing engagements can take over a year. SMEs' sourcing processes typically take less than one month.

FIGURE 1

Timeline for Completing Sourcing Events



SOURCE: LEVEL RESEARCH SOURCING SURVEY, 2019

Sourcing Events Usually Take 3-6 Months

How long does it typically take for your organization to complete a sourcing event?

¹Level Research defines organizations with revenue greater than \$1 billion as enterprises, organizations with revenue between \$51 million and \$1 billion as the middle market, and organizations with revenue between \$1 million and \$50 million as SMEs.



While a variety of factors beyond size can protract the S2S timeline, industry plays a big role. Survey data indicates that healthcare, pharmaceutical, entertainment, utility, retail, and nonprofit companies have the longest sourcing engagements.

Healthcare companies typically have a high number of sourcing engagements, and they can be very complex due to heavy industry-specific regulations. Healthcare companies need reliable, high-quality, legitimate goods, and tend to require vendors that can be flexible with unique shipping needs. These necessities slow the sourcing process.

Utility companies also tend to have complex, prolonged sourcing engagements. Global supply chains are common in this industry, and utility companies have to source goods such as power transformers, wire and cable, and other complex items. More so than other industries, utilities companies cannot select goods based solely on price; they must consider reliability and ensure what they are purchasing is genuine and both meets requirements for quality and is in compliance with environmental and legal regulations.

Manual sourcing processes make challenges like those listed above even more difficult to navigate. For organizations operating with manual processes, top sourcing challenges are those surrounding supplier and risk management, data management, and processing costs (see Figure 2). They are also concerned with steps and handoff in source-to-contract, supplier performance, and visibility and centralization across operations.



FIGURE 2

Top Sourcing Challenges



SOURCE: LEVEL RESEARCH SOURCING SURVEY, 2019

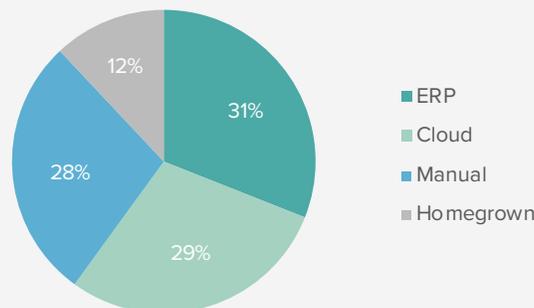
Assessing Supplier Risk Factors is the Top Sourcing Challenge

Looking at this set of potential issues in your organization's current sourcing process, how difficult or challenging would you say each is in the process?

To alleviate these challenges, organizations are turning to technology to streamline and control processes and better manage supplier data. Level Research has found that sourcing is becoming increasingly automated. In 2017, the percentage of organizations using a manual sourcing process was 60 percent; in 2018, 45 percent; and in 2019, 28 percent (see Figure 3).

FIGURE 3

Sourcing Tool Used



SOURCE: LEVEL RESEARCH SOURCING SURVEY, 2019

Most Organizations Use an ERP-Based or Cloud-Based Sourcing Tool

Does your organization utilize any electronic sourcing/project and RFx creation applications?



Sourcing Process Automation Methods

Not all automation works the same or brings the same degree of efficiency and improvement. Companies use three main methods of automating their sourcing process, and each comes with a unique set of benefits, barriers, and issues.

Homegrown Tool

Developing a homegrown tool can be costly and require a large time and labor commitment. It generally necessitates a long build and implementation phase, and demands that an organization has a large, capable IT presence. Additionally, it puts all of the onus onto the organization. While a consultancy can be contracted to build the software, tasks such as training employees how to use it and maintaining and updating the tool are on the company. For these reasons, Level Research has observed that homegrown tools are more common in large organizations and rare in SMEs and mid-markets. Organizations that make this investment hope to develop software that is well equipped to tackle the specific sourcing process the company has, including its unique challenges, regulations, and approval workflows. In practice, however, these solutions typically fall short of the mark, and organizations are unable to build a product that is comparable to a third-party solution, especially from a long-term point of view. All of these factors are reasons that utilization of homegrown solutions has grown the least of the three automation methods.

ERP Add-On or Feature

If the organization already has an ERP system, this generally represents an easier entry point barrier to sourcing automation. But ERP-based tools have their downsides: they are not updated as often as cloud-based software, leaving them outdated; they do not offer the advanced functionality found in other tools; and they tend to be clunky and difficult to use. Still, because of their low cost and familiar technological environment, these tools have seen high adoption rates.

Cloud-Based eSourcing Tool

These tools usually implement with an ERP, but do not sit directly inside of the ERP. Most of them are built by non-ERP providers that specialize in making software specifically for sourcing, although some ERP companies have acquired or built their own tools. Because the companies that build this software are focused specifically on the challenges and issues of sourcing, they excel in creating a product that is well suited to tackling the task of automating the



process. The best providers solicit advice and guidance from their customers to ensure that their needs are met both in implementation and on an ongoing basis. This improves the provider's final product and the companies' sourcing process. Because the software is deployed in the cloud, it receives frequent updates. Cloud-based software generally implements more quickly than the two previous options, and offers customer support throughout the companies' usage of the product. This software generally operates on a subscription model, making it appear to be an expensive option; in reality, its adoption drives down the cost of maintaining a sourcing department, requires a smaller technical resource commitment than the alternatives, and provides advantages that boost the bottom line. For these reasons, adoption of cloud-based software has grown nearly 50 percent from 2018 to 2019.

Traditionally, sourcing software providers have catered to larger organizations or specialized in one of a few niche verticals. Enterprise companies tend to have more complex procurement and supply chain processes, as well as the capital necessary to undertake implementation and training. SMEs and mid-market companies, however, are increasingly seeking software to help them streamline sourcing—or in the case of smaller organizations, implement a sourcing process where none currently exists. Making one-size-fits-all software is difficult in direct goods sourcing, but more providers have been creating flexible software for indirect goods sourcing. This, and the shrinking greenfield opportunity in the enterprise segment, has caused sourcing automation providers to begin to market their solutions to companies of all sizes.



Sourcing Software Overview

Electronic sourcing software is designed to digitize every step of the sourcing process. The process occurs when an employee recognizes a need for a good or service, either from an event request, item requisition, or a re-evaluated contract. Once the sourcing request is approved, an event can be created and sourcing cycle begins.

Event Creation

Sourcing begins with the creation of an RFX event. RFX is a term that collectively refers to Requests For Information (RFIs), where the objective is to obtain data on vendors and their capabilities; Requests for Quote (RFQs), where the objective is to get a price quote on a good or service; and Requests for Proposal/Request for Bid (RFPs/RFBs), where the objective is to gather a formal, detailed proposal on procuring a good or service.

In a manual environment, event creation is an especially difficult step, because vendors submit information in various formats, at various times, and with various levels of detail. Software makes this easier by determining the information that is sent, standardizing the format in which it is sent, and centralizing all of the data in a single location. When using automation software, events can be built from templates, based on similar previous events, or created from scratch. Once created, these RFX events can be sent to other internal stakeholders for collaboration, editing, and approval. RFX events are built using customizable guidelines for participation, weighted questionnaires designed to score a suppliers' responses, and lists of documents, tasks, and certifications that vendors have to submit to be considered. State-of-the-art tools feature chatbots that can walk users through the RFX creation process.

Once an RFX is finalized, users send them to suppliers that are listed in the tool, with leading solutions recommending suppliers based on history, location, and item/service type. Typically, eSourcing providers offer access to a network of eligible local and global suppliers. Indicators are usually displayed to identify suppliers based on attributes such as minority/female-owned business, high-performing supplier, and local vendor. This allows the user to source goods from a more diverse supplier pool, and to potentially build new long-term business relationships. Once suppliers are chosen, they are sent a customized email invitation.



Event Monitoring

Once an event has been initiated, users can check on its status in the solution, with access to supplier responses, timeliness, and completed tasks. An eSourcing tool enables users' to move beyond simply judging on price, including the ability to source based on experience/performance, business eligibility, and quality of goods/services offered. Many tools automate scorecarding of suppliers according to user-submitted weighting and criteria.

Inside the tool, users have the ability to compare the vendor submissions. After the organization has selected a vendor, they receive additional information on next steps and are asked to submit applicable information and documents. Once awarded, these events can be turned into contracts, which pull in all of the relevant information that was submitted during the RFx.

Live Auction

RFx events can be turned into reverse auctions to increase supplier competition, achieve lower prices, or adhere to strict time constraints. These auctions are held in a highly visible environment that makes the process easy for all parties involved. Auctions can be designed to run through several different bidding stages, and can also be extended if the buyer desires. Once the auction has finished, the same award processes as above apply.

Vendor Management

Advanced sourcing tools can play a pivotal role as a vendor management system. Some organizations favor them as a single source of truth. These solutions manage the data by utilizing a supplier portal and self-service tools. The idea is to collect all of the information aggregated throughout various sourcing events in order to create a profile for each vendor. In this profile, users have access to important vendor information such as key contacts, company history, relationship with the user, insurance certificates, and tax documents.

Leading tools have advanced search functions where vendors can be queried by size, location, industry, and service/item type. Some of these tools provide in-depth reporting on supplier performance and risk, analytics based on category, and other factors.



Supplier Portal

Vendor management systems are largely enabled by supplier self-service portals. The degree of functionality varies widely by solution provider; basic tools allow vendors to submit paperwork and respond to event invites, and more advanced tools automate vendor onboarding entirely, with features such as custom email campaigns, catalog management, profile management, and sourcing event participation information.

Suppliers can log in to their portals to view, accept, and reject contracts and RFx events. They can upload documents such as insurance certificates, safety protocols, credit documentation, and environmental certificates. Suppliers can also access a negotiation template that tracks all contract changes. After an awarded event has been converted into a contract, some solutions even enable suppliers to manage contracts within the same system.

Post-Event Optimization Tools

Building off of profiling vendors, leading solutions feature tools designed to improve organizational purchasing processes and contracts, sourcing strategies, and supplier relationships. The reporting capability of these solutions enables users to view suppliers' past performance and activities in order to power a more informed decision-making process. Some supplier performance management tools allow organizations to assemble supplier ratings based on internal notes and reviews from sourcing and procurement users. These review templates can be pre-built or customized based on categories such as commercial risk, safety, quality, environmental, and performance history. In addition, some solutions include benchmarking capabilities that show negotiation rates and performance history based on internal data from other suppliers. The system can take the performance data and reorganize supplier lists by value and category. This data is available for import and export, and is also integrated into the supplier directory.

Another optimization tool is a strategic analytics engine found in some leading sourcing solutions. The engine re-evaluates an organization's sourcing activities by examining various fields (including market research, RFx processes, negotiations, contracting, and transaction activities) and identifying savings opportunities. With this tool, organizations can restructure or renegotiate supplier contracts, and can evolve company sourcing practices to produce more competitive, higher-quality results.



Leading sourcing solutions may also offer data and risk management through reporting and analytics tools. These tools can include commodity risk management, savings figures, and supplier risk analysis based on credit scores, user reviews, logistics, and delivery history. The resulting data can be compiled in interactive drag-and-drop reporting platforms, offering customizable or standard reporting.

Leveraging artificial intelligence, machine learning, and big data analytics, the best tools also provide predictions for supplier analytics and future performance based on past results. They also give actionable recommendations on how to adjust an organization's relationship with individual suppliers. As opposed to "drill down," which relies on users digging through analytics to find insights on their own, these recommendations are typically "alert up," with the system detecting any potential issues or outliers and informing users of its findings. Recommendations can be based on internal data or even geopolitical news and events.



eSourcing Buyer's Recommendations

While an eSourcing tool might be what a company needs to improve its purchasing function, the process of adding software can be time consuming, expensive, and frustrating. It is best to first conduct an evaluation of whether an eSourcing tool is appropriate for them.

Perform a Current State Analysis

One of the most important questions to answer when considering automation is what the sourcing process at the organization currently looks like. What is organizational sourcing event volume? How specialized is it? How much time does it take? For these questions, companies can conduct internal reviews or reach out to vendors to determine the figures they usually see.

If an organization's sourcing event volume is low, their processes simple, and their time commitment insignificant, eSourcing may not be necessary, as the ROI may not be sufficient to justify buying a solution. ROI from sourcing automation typically comes from improvements like reduced supplier pricing and maverick spend reduction. In some cases, organizations' procurement processes are simple enough that they can easily maintain competitive contracts with suppliers, or sufficiently track employee spend.

If organizations do have a need for sourcing automation, they should conduct another evaluation to identify the biggest challenges or opportunities for improvement in their process. Organizations should determine where automation can best help, as well as establish KPIs, which will contribute to measuring ROI later on. Sourcing and procurement KPIs include spend under management, spend on contract, compliance rates, defect rates, lead times, cycle times, savings total spend ratio, and spend per employee.

Some additional evaluation questions include:

- » What are the biggest bottlenecks in the process?
- » What are the most manual, time-intensive parts of the process?
- » What are the biggest pain points?
- » Can the bottlenecks and pain points be eliminated by reconfiguring the process?
- » Whose day-to-day job would be affected by automation?



- » Do any one-off tasks or service/item categories require special attention?
- » How long does a typical sourcing event take?
- » Who is responsible for approval?
- » How does the organization know when to take a requisition into a sourcing event?

Additionally, those looking to add elements of eSourcing should keep in mind that automation is not a panacea. If a sourcing process is fundamentally flawed, it is best to redevelop it prior to implementing automation software. Current state evaluations help to highlight broken areas in the process. For example, the quality of an organization's data (e.g., supplier information) can affect the success of automation. One of the biggest advantages of implementing an eSourcing tool is the visibility and insights it gives the back office, but if a company inputs flawed data into the software, the analysis will yield flawed conclusions.

Evaluate the Barriers

The realization that implementing an eSourcing tool could address some problems with the current sourcing operation is rarely shared by every stakeholder simultaneously. Before choosing software, the initiators will be responsible for answering questions and convincing other stakeholders. While each case will be different, Level Research has mapped out some commonly observed objections and the best strategies for approaching them.

Automated sourcing lacks ROI

The most common difficulties are a perceived lack of ROI and/or lack of support from the executive team. The advantages of automating sourcing come at a cost that might immediately give executives and management pause. Some may see implementation as an unnecessary risk given the current efficiency of their sourcing.

There are few key areas in which eSourcing brings potential ROI.

- » The difficulty of measuring the costs of a manual sourcing operation can also be one of the greatest drivers to adopting an eSourcing solution; eSourcing solutions provide transparency into current processes that manual methods lack. eSourcing tools offer valuable insight into spend data, enabling companies to track and measure their processes once they



are automated and to identify inefficient pricing in supplier contracts.

- » eSourcing also helps companies merge many disparate purchasing processes into one streamlined operation with a secure, real-time electronic environment, which reduces the sourcing lifecycle duration and related processing costs. This means organizations can clean and consolidate their supplier list, renegotiate and re-source large contracts, and began relationships with new, premium suppliers.
- » An eSourcing solution gives companies tools that improve their interactions with current suppliers and grant them access to other suppliers through the solution’s supplier network. Through increased access to suppliers more suited to their financial and logistical needs, they can gain more competitive bids.

Automated sourcing will disrupt the supply chain

Despite sourcing being the beginning of the S2S process, it usually operates in a silo, relatively independent of other functions. Large companies may have different sourcing operations for numerous global locations, further driving isolation. Additionally, sourcing is seen as a relationship-driven activity, which makes it more likely to fall under the direct oversight of executive management. Altogether, this means that organizations are unlikely to want to disrupt current operations, for fear of disrupting their supply chain.

In reality, a siloed back office causes major problems for data management and supply chain efficiency. For example, an organization with a decentralized back office often has inefficient, disorganized methods for sourcing goods and services, such as using master lists to email suppliers and request RFX participation, or posting sourcing events on its website. These manual sourcing methods are often time-consuming and leave gaps in the security of company information. Siloed methods also afford little real-time visibility into projects’ statuses across different teams, as there is a lack of process and data synchronization across different departments and locations.

eSourcing provides centralization with flexibility and control. Sourcing solution providers understand the delicate, complex, strategic nature of sourcing processes, and are adept at automating them without putting a company’s supply chain and supplier relationships at risk. With an eSourcing solution, an organization gains a secure, flexible online environment that integrates with existing systems. A sourcing solution also allows an organization to bring all



spend processes onto one platform without sacrificing the unique requirements of various company locations and departments.

The sourcing department can customize sourcing engagements to its needs, building RFX parameters and scoring models that work within company policies, budgets, and security controls while accessing the same supplier lists and company database. The solution also automates the majority of the supplier outreach and RFX creation processes, and covers IT maintenance and solution security. All of these factors help to create a streamlined implementation that does not disrupt the supply chain or put a company's revenue at risk.

Automation cannot fix the problem

Some stakeholders may think that even if an eSourcing tool was implemented, it would not solve the organization's problems. This could mean they do not correlate the features offered by a tool with the problems they see as endemic to the current sourcing process. Perhaps they do not see how the goals the organization outlined in the sourcing operation align with what eSourcing software brings to the table. Level Research believes that the main reason organizations believe eSourcing will not benefit them is because they do not have a full understanding of what the technology offers.

With the proper education of the various sourcing tools, functionality, and use cases, many companies become more interested in the technology. Even if a company has a relatively low number of sourcing events, eSourcing helps to fix many other issues in supply chain management, such as improving the ability to meet foreign local requirements.

Involve Suppliers

eSourcing affects more than just the organization implementing it. Suppliers are also a key stakeholder in any changes made to the department. They will have to feel comfortable and secure using the software an organization chooses, especially since it will hold vital, mission critical information and documentation regarding their operations. Suppliers are often faced with performing the same tasks in multiple different software programs. This software all works differently, requires varying levels of knowledge to operate, and operates at disparate levels of complexity. Involving suppliers in the implementation process will help prevent potential issues. Evaluating potential eSourcing vendors from the supplier side of things and setting expectations for communication, training, and involvement with vendors accomplishes this goal.



Conclusion

Sourcing is a complex process that relies on harmony between the data-driven insight side of the back office and the forward-facing nature of relationship management. Continuing to handle this process manually can negatively affect both parts of the sourcing equation and lead to supply chain problems that impact the bottom line. By automating sourcing, organizations realize an opportunity to turn an obstacle into an advantage. In carefully evaluating their individual situation and taking a look at what potential eSourcing partners have to offer, a company can drive down costs, build a strategic supply chain network, and improve supplier relationships.



Wax Digital

Founded in 2001, Wax Digital is a UK-based eProcurement and spend management company that works with some of the world’s leading organizations across a wide range of industry sectors. Its product suite, web3, supports more than 265,000 users, with \$45 billion of spend under management in 102 countries. Wax Digital’s web3 supports B2B requirements for North America, Latin America, Europe, and Australasia.

Wax Digital’s software suite has been developed on a single code base and is deployed in a range of standalone modules that seamlessly interoperate to deliver a fully integrated Source-to-Settle platform. The suite’s modules include eSourcing, Contract Management, Procure-to-Pay, Spend Analysis, Supplier Relationship Management, Supplier Information Management, and web3 Connect, a systems integration platform. Wax Digital works with some of the world’s leading organizations from across a wide range of industry sectors.

Founded	2001
Headquarters	Manchester, United Kingdom
Other Locations	New York, Chicago, Stockholm, Copenhagen
Number of Employees	95
Number of Customers	More than 100
Target Verticals	All verticals, with particular strengths in Food and Beverage; Construction; Healthcare; Defense and Aerospace; and Financial Services
Partners/Resellers	Exostar, Sapphire Systems, KPMG, Proxima
Awards/Recognitions	Gartner Magic Quadrant Procure-to-Pay Suites “Visionary”; Spend Matters “50 To Know” Vendor; Spend Matters Solution Map Leader; Red Herring Europe 100 Winner, National Business Awards Finalist; Profilic North Tech 2019 winner for “Best Application of Tech”

Solution Overview

Wax Digital’s web3 Connect module is an Integration Platform as a Service (iPaaS) that delivers rapid integration across third-party systems. Wax Digital operates an ISO 27001–certified information security management system (ISMS) that preserves the confidentiality, integrity, and availability of information across all locations.



web3 is fully multilingually capable and multi-currency enabled. By default, the S2P modules are available in fifteen standard languages, and other languages can be added as needed. web3 also has basic data localization for date and time formats and time zones.

web3's sourcing automation functionality is available with a simple user interface, predefined workflows, business model-level rules, alerts/notifications, and built-in data validation that requires minimal IT input. Wax Digital also leverages artificial intelligence to suggest specific efficiency recommendations based on complex automated intelligent analysis of significant cross-industry purchasing data. The solution includes voice-activated features using natural language (e.g., Cortana, Alexa), and Wax Digital is currently developing support for wearables technology.

Sourcing Management

For RFX management, web3 allows users to create and store multiple tender types, including PQQ, ITT, RFI, RFP, and RFQ. Users can choose from a library of prepopulated templates that can be customized using built-in wizards or by merging information offline in Excel. This allows users to quickly and easily configure an event's settings, including attachments, lines, questions, participants, stakeholders, email templates, alerts, and evaluation criteria.

web3 encourages collaboration among key business stakeholders, enabling them to contribute to the relevant sections of a sourcing event. A Team tab within a project's folder allows team members/stakeholders to be assigned to the event and includes the definition of their specific role and permission assigned within that event (i.e., Read and Edit, and Read Only). This includes the ability to establish an evaluation panel for collaborative scoring, and directs team members to the sections/responses that require their review and sign-off.

Open sourcing events can be publicized from web3, allowing suppliers to review documentation and self-invite if they choose to participate. web3 also guides users through the required steps to publish and distribute a tender opportunity notice on a company and/or external website. An online instant messaging board is also available to both users and suppliers.

Following a deadline, web3 provides evaluation functionality with the ability to define the weighting/score by question or by response options. Once an event has closed, awards can be communicated to suppliers via the web3 platform.



Templates can then be used to generate contract acceptance and summary award letters, with users able to input content (e.g., reasons for selection/non-selection).

web3 eSourcing provides a competitive tender program using eAuctions, a real-time bidding engine that can run a series of auction types including forward, reverse, English, Dutch, Japanese, and sealed bid. To create an auction event, a user can port supplier information and results straight from the product launch stage. Alternatively, the simple wizard structure guides users through the event construction workflow where time frame and event rules are set. Users are in full control key auction parameters and settings including duration, bid increments, bid rankings, bid extensions, and surrogate bidding.

Once the event is underway, all bids are tracked in real time and displayed in both textual and graphical format, showing the progress of the auction at a glance. Following completion, the system shows the top bidder by lots and auction. The buyer may then award, either by lots or for the overall auction.

If deployed with web3 Contract Management, users can quickly and easily create a contract record for the selected supplier and the provision of the services/goods after RFX and auction events. All key header and financial data from a procurement event is automatically pulled through into the new contract record, and approved contracts and other external documentation can also be uploaded.

If integrated with web3 Procure-to-Pay, buyers looking for competitive pricing from a number of suppliers can flip purchase requisitions into the Mini Tender/Quick Quote functionality of web3 eSourcing. Users can build a shopping basket and pass it on to a Buyer Approver, who has the option to select new/existing suppliers and send a quote request from within the Sourcing module. Responses are then collated, and the selected proposal/requisition is taken directly back into the P2P module for the checkout process and subsequent PO placement.

Through the Supplier Portal, suppliers can be set up and allowed direct and managed access to the eSourcing system. The portal is specifically available to enable suppliers to respond to RFX events, supplier registration forms, surveys, and auctions, and to manage their own profile and response history.

The reporting features in web3 are designed to give all stakeholders controlled access to key business and user behavior information. Users can create their own detailed reports as well as access reporting widgets such as the “Event Status” dashboard widget and the “Buyer Activity” widget.



Implementation and Pricing

The average timeline for full integration and implementation of web3 eSourcing is four weeks, depending on the specific requirements of a client, since training courses and schedules vary by project. Clients have access to a 24/7 online support helpdesk application, and are also given an account manager for the duration of their relationship with Wax Digital.

Regular roadmap workshops and customer/product forums are conducted with clients to collaborate on functional extension and improvement. Additionally, a Best Practice Network fosters an online client community where clients have access to regular webinars, functional demonstrations/videos, peer presentations, and an open forum for sharing questions and ideas with other clients.

web3 is licensed annually on a named user basis. Free quarterly upgrades are delivered to all customers across all modules.



About Level Research

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