

White Paper

BUSINESS COMMUNITY MANAGEMENT

Introduction

Many companies have realized significant value through automating their supply chain with B2B processes. B2B has made an impact and added value, yet inherent problems exist within the traditional model that prevent it from being a sustainable solution in today's business environment. New business challenges arising from ever-expanding communication standards, and changing customer expectations and the demand-driven economy have created a need for a new approach that goes beyond B2B.

Business Community Management is a strategic vision that creates a comprehensive view of the supply chain by integrating the technology, business processes and communication of the entire business community to facilitate end-to-end supply chain visibility.

This white paper will examine the current state of B2B communication; detail the steps needed to mitigate the challenges created by B2B; and outline the concepts behind Business Community Management as a new way to approach your business-to-business communication.

The topics included in this whitepaper are:

- I. The Current State of B2B
- II. Business Community Management: A Comprehensive Approach to Supply Chain Communication
- III. Inovis: Your Partner in Comprehensive Business Community Management

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The Current State of B2B

After years of implementations, initiatives and mandates, various levels of supply chain communication processes are in place in the majority of large companies operating within the global economy. Companies have realized incredible value from B2B automation.

For example:

- A global automotive company and Inovis customer reduced costs by 54% using Managed Services to automate the majority of its supply chain operations and customer communication.
- Another national retailer and Inovis customer realized savings of 40% after automating most of its trading community.

Although B2B has delivered significant value, there are a host of business challenges inherent to B2B automation. Combined, these problems prevent B2B automation from being a sustainable solution for moving ahead in today's changing business environment.

Complex technology

Often, B2B initiatives were driven by the need to comply with a certain mandate or meet specific operational requirements, resulting in a piecemeal chain of systems and leaving communication gaps within the supply chain. Therefore, many companies are working with legacy applications and silo solutions that are not interoperable. There is no easy way to synchronize the data from each system to create a comprehensive view of the supply chain. Silo tools create barriers to working within multiple formats and standards, resulting in lost business, missed growth opportunities and further eroding value.

Additionally, B2B technology itself has built-in complexities arising from communication issues with AS2, AS3 and VAN mailboxes, erroneous data exchange as well as trading partner connectivity problems. These problems are commonplace and drain resources. In fact, according to a 2006 GS1 study, most businesses spend between \$40 and \$80 per error to resolve problems with item data and invoicing data.

Furthermore, connectivity issues are typically recurrent which creates a reactive environment, shifting focus from core business operations toward lower impact issues, wasting time and creating unnecessary productivity costs.

Implementation challenges

Implementing B2B initiatives places large demands on time and resources. Often, implementations run into challenges and time delays created by disparate systems and outdated, inaccurate data. Additionally, each trading partner presents a unique set of circumstances and technology capabilities, which requires additional time and resources to solve. These issues place constraints on already tight budgets and timeframes.

Automation demands and limitations

Today there is a clear business mandate for automating 100% of your supply chain. However, companies face several hurdles in meeting this goal. The first limitation is budget, as companies are being asked to automate more partners with fewer dollars and cycle initial realized savings through several rounds of automation. Another limitation comes from the fact that companies must drill down to the second and tertiary level of suppliers and partners to achieve complete automation. Partners at these levels often lack the willingness or the technology sophistication to tie in to an automated supply chain.

Business Community Management: A Comprehensive Approach to Supply Chain Communication

Considering the challenges that have arisen from B2B processes and the additional business demands posed by changing customer expectations, volume increases and multiple communication formats, companies must reevaluate their supply chain communication processes and adapt. It has become clear that an evolutionary B2B development cannot solve for these multiple issues; companies must make a revolutionary change to achieve an optimized communication solution.

A new view on supply chain automation widens the focus to include the business community of partners and customers that actually make the supply chain operate. Business Community Management (BCM) integrates the technology, business processes and communication of the entire trading community to create end-to-end supply chain visibility.

Three key steps help mitigate the challenges created by a traditional B2B methodology:

- Increase Visibility

According to a 2006 AMR study, over 20% of all orders across all industries are in error. Complete end-to-end visibility into your supply chain is essential to successfully manage the increasing complexity of today's B2B environment. A fully optimized business community delivers a comprehensive, real-time view into all B2B collaboration—across all formats and technologies. This level of visibility equates to actionable intelligence that businesses can use to minimize delays and costs associated with errors, stock-outs and chargebacks.

With increased visibility, a business and its partners can move beyond the transaction level toward a more granular item-level of reporting, which enables them to quickly recognize errors and make adjustments in real time, instead of after the fact. A visibility component that allows all members of the community to easily track and view key performance indicators (KPIs) and scorecards helps transform B2B information exchange to a new level of integrated collaboration.

- Streamline Processes

Supply chain communication is rife with challenges as companies begin automating their trading partner communities. Trading partner automation is a critical step for reducing complexity in B2B communication, yet the difficulties and pitfalls of

disparate systems, unique business requirements and overlapping business methodology make this goal time-consuming and cumbersome to achieve. Streamlining trading partner automation by using proven processes that account for business differences and technology variations can considerably reduce ramp-up time.

For example, a multimedia company we worked with reduced the time it took to onboard partners from 5 days to 15 minutes. Following a repeatable process ensures that the planning, implementation and testing stages of an automation initiative are encompassed in the strategy from the beginning. This eliminates downtime caused by unforeseen complications and results in smoother, faster deployments.

- Automate Your Trading Community

The Business Community Management platform is designed around a community where all partners are automated. Complete automation facilitates faster and easier communication which creates new synergies and opportunities to collaborate earlier in the lifecycle of a product.

Trading partners come in all shapes and sizes and have varying levels of technology capabilities. To facilitate strong community enrollment, your partners need flexibility and options to participate at a level that works within their business framework. Utilizing a modular set of applications enables partners to leverage the technology they need and quickly begin realizing the value automation delivers. Flexible access fosters higher participation and faster adoption of the BCM solution throughout your community.

The Business Community Management solution provides the foundation for increased collaboration that deepens trading community partnerships. By removing the complexities and costs associated with a traditional B2B solution, BCM drives greater product innovation, increased speed-to-market and greater levels of customer satisfaction and retention.

Inovis: Your Partner in Comprehensive Business Community Management

The Business Community Management solution builds a framework around the complexity that exists in B2B communication to create true end-to-end supply chain visibility. Business Community Management represents the revolutionary change that companies can embrace to optimize their supply chain and realize sustainable value. Inovis has created a suite of modular applications to enable your company to efficiently and cost-effectively leverage comprehensive Business Community Management across your operations.

Inovis offers three distinct, yet integrated, service areas built on the foundation of secure, reliable communication backed by a Tier Four Data Center. Together, the service areas of Communication Networking, Automation and Visibility and Governance deliver all of the applications to support business community processes and collaboration.

Inovis delivers economies of scale that help your business quickly access new solutions while driving automation across your entire trading partner community. With Inovis as your partner, your business can move beyond the challenges of B2B and begin leveraging the supply chain communication solutions delivered by the BCM solution.

About Inovis

Inovis is a leading provider of on-demand Business Community Management solutions that empower companies to transact, collaborate and optimize communications with their entire trading community. By standardizing and automating mission-critical business interactions, companies can dramatically reduce the complexity and cost of supply chain communication. This foundation of high-quality, reliable and secure connectivity provides real-time visibility across the order-to-payment lifecycle. The resulting actionable intelligence enables users to proactively address supply chain issues before they impact profitability, shortening cycle times, improving productivity and increasing customer satisfaction.

With more than 20 years of expertise, Inovis delivers its products and services to more than 20,000 companies over a wide range of industries and markets across the globe.

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