Don't Make Integration an Afterthought When Choosing Supply Chain Visibility Solutions

As the complexity of managing global supply chains grows, the need for collaboration across the entire ecosystem of internal and external stakeholders and partners has risen sharply. A company's supply chain is its lifeblood—both upstream with suppliers, and downstream with customers—directly impacting topline growth and bottom line performance. In order to spot opportunities and risk earlier, and to do business better, companies require a 360-degree view of their extended supply chain. For that reason, it's essential that supply chain visibility solutions are implemented in close connection with end-to-end B2B integration services that provide a seamless digital platform across all trading partners.

Supply chain and logistics operations are gaining greater recognition for the truly essential business processes that they serve. Fewer companies now regard those functions as "just the shipping/receiving department" or purely cost centers that are a necessary "cost of doing business." Supply chain and logistics management contributions to competitive advantages and the bottom line are far more recognized these days, and managers in those roles are getting more respect than before.

To keep pace with this shift, these same line-of-business leaders need information and insights across trading partner ecosystems. The growing complexity of doing business today drives a need for more and better information capture, integration, availability and quality. It is therefore increasingly difficult to justify stand-alone point solutions for supply chain analytics that are not part of a broader supply chain automation and digitization offering, and that do not seamlessly connect to other backend business process systems. Both systems and trading partners are varied and diverse, and most organizations don't have the in-house resources to pull them together for a complete supply chain insights solution.

"We're all information companies today," says Marco de Vries, Senior Director of Product Marketing for OpenText Business Network. "The ability to succeed and thrive in a digital economy is all about access to information and the ability to leverage it to gain insight. It's less about access to natural resources, or human resources; it's much more about identifying market opportunities, and getting to them before anybody else does."

Better integration of data, systems and processes is becoming more urgent as the sheer amount of information coming into the average enterprise reaches an all-time high, with no end in sight. The much-talked about Internet of Things (IoT) is creating a deluge of connected devices, into the billions, each generating data signals potentially hundreds of times per day—anything from train cars to truck engines to washing machines in the home. The IoT is predicted by The World Economic Forum to grow at a compound annual growth rate (CAGR) of 21.6 percent over the next four years to 50.1 billion devices by 2020 – equivalent to almost five connected devices for every person on the planet. Growth in business applications for IoT will be even more rapid. More devices, sensors and bots, generating more data than ever, may well be a good thing, but it makes the task of leveraging that mass of data into actionable information more and more difficult. Being able to gather information is no longer the point; it's being able to sort, analyze and act upon it that gives a real competitive advantage.

"The consistent problem that organizations face today is how supply chain – and all the information that comes along with it – can effectively become core to any business strategy to drive both efficiency and growth," said Raj Sivasankar, Director, Product Management at OpenText. "With all the fantastic technology being introduced, the demands on supply chain management to process and utilize information are going to quadruple." Sivasankar points out that supply chain planning and execution are particularly tricky, because demand is increasingly relayed in real time. There's a constant, urgent requirement to determine what is needed in the market, then develop an appropriate fulfillment cycle.

It has become fairly common for retailers to issue a blank purchase order—essentially a standing order, with a set price and a large quantity to be delivered over time. The supplier can decide to service that PO over weeks, months, or longer, depending on how demand fluctuates from the buyer. The sensitivity to demand is very high, and

overall tracking of a product's life cycle becomes even more crucial, from initial planning to returns.

Add to the mix daily interactions with freight forwarders, customs agents, carriers, and the challenge becomes even larger. "As a consumer, I can order something, have someone pick it up for me, and deliver it in a few hours via Google Express, Amazon and similar services. What does that actually mean for supply chain management?" asked Sivasankar. "We see a large volume of customers putting their supply chain traffic through a B2B network such as OpenText Business Network, and it makes sense to give them more visibility into a purchase order, the exact delivery amount, notification about delays… the whole picture."

It is clear that supply chain visibility is both essential to have, yet difficult to achieve. ERP systems that have dominated corporate application investments for decades are not well adapted to this real-time, heterogeneous ecosystem of data and external trading partners. B2B business networks are the key. Sivasankar explains, "OpenText Business Network supports supply chain from development and delivery, from PO through the entire delivery cycle, carrier documentation, delays, delivery and returns, and then into the invoice process. We're able to take all that delivery information and look for discrepancies in invoices, tying them back to the PO. We not only gather the data for all this; we put it in context from an end-to-end perspective." And because OpenText Business Network is connected to over 600,000 businesses globally, this visibility extends across the entire supply chain ecosystem.

Although OpenText has recently developed new offerings that go deeper into the supply chain than before, they have access to a long history of expertise in delivering supply chain visibility. Three years ago, the company bought GXS, a B2B integration services firm that began life as a division of General Electric back in the '90s. GE saw fantastic opportunities in the problems experienced, almost from the get-go of B2B electronic communication, in the compatibility of data. Prior to its acquisition by OpenText, GXS had snapped up several supply chain automation and analytics firms along the way, including Celarix for logistics visibility, UDEX for data quality, Inovis for retail integration services, IBM's EDI network, and Interchange, Brazil's leading B2B supply chain network.

Cloud computing has revolutionized how businesses consume applications, and how they enable business processes. For a start, it has relieved businesses of the need to spend time and money maintaining and updating individual instances of software because those applications, along with the data captured by them, are held on external servers where software can be constantly maintained and updated on a centralized model. Perhaps more importantly, cloud computing has also offered extraordinary abilities to build data "platforms" that are user-agnostic. That is, they can serve and connect multiple enterprises that generate data using different protocols, centralizing and disseminating data without compromising data security, or crossing sensitive lines of competition. Cloud computing has also made it easier to "turn on" (or off) new application functionality as business needs change. These options give business a far more diverse range of choices when looking to get their hands around the dizzyingly disparate sources of enterprise data available. GXS brought with it perhaps the most mature cloud-based B2B integration solution; one that was specifically designed to serve supply chain needs on the market, offering synchronization and collaboration solutions over its network platform, OpenText Trading Grid™. That makes it an excellent foundation for building seamless supply chain ecosystems across many trading partners.

OpenText goes further than running in the cloud. De Vries explains, "Our go-to-market model is managed services, where we act as an extension of our customers' internal teams. We're not just there to offer a technology platform, we deliver the people and processes for a true solution. From partner on-boarding and integration, to monitoring supply chain transactions and addressing issues before they become business disruptions. That's our primary value proposition to most of our large customers. They don't have resources to manage this on a minute-to-minute basis." B2B managed services means companies need to worry less about maintaining complex systems and staff in-house, freeing them up to focus on what they want that software to do, rather than how difficult it is to manage or integrate with other systems.

What makes it all tick is seamless integration. The ideal scenario is where data flows smoothly between external stakeholders in the supply chain and beyond. De Vries says that what

differentiates OpenText's approach is that it regards supply chain digitization and integration as a priority, rather than a nice-to-have feature. "The primary focus of what we do is integration… pervasive integration," he says. "We can take information from any trading partner, any system, any format -- even paper; it doesn't matter. The goal is to get your digital information in a place where you can use it, right away. A lot of the niche supply chain specialists out there come at it from a different angle. They build the applications first. Integration is their second thought, and they tend to rely heavily on portal technology to do that—manual data entry. Typically, that makes it difficult to scale the solution for a large global supply chain where some partners are tech-savvy and some not at all."

OpenText emphasizes digitization, integration and quality of information first and foremost, and then lays on top of that cloud-based applications that allow people to automate their supply chain processes. "It's all aspects of supply chain, from order management, shipping and receiving, invoicing and payments… an end-to-end business flow," explains de Vries. "We don't try to replace TMS or ERP-based systems, our focus has always been to extend and optimize those systems and the processes they support to trading partner ecosystems."

When supply chain management technology was finding its way, there was a difficult choice between adapting broad-based business data management solutions such as SAP and Oracle to more specific tasks, or installing highly-specialized (and often expensive) WMS and TMS solutions, then trying to get them to talk to different systems in accounting, procurement, and other divisions, as well as to each other. De Vries explains that's not really the axis along which decision-making has to bend any more. Today, business needs to think about processes, especially the supply chain, as an extended ecosystem that cannot be managed by a single system or application. We need to start with building the foundation—digitization. Only then can organizations capture and leverage information as the new currency of the digital economy.

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