WHITE PAPER

Now Is the Time to Rethink Your B2B Integration Strategy

Sponsored by: Sterling Commerce, an IBM Company

Maureen Fleming
May 2010

IDC Opinion

Many organizations invested years ago to automate how they interact and integrate with business network partners. Regardless, they are finding a need to reassess B2B integration to improve their processes.

Others are new to B2B integration and view changes to their existing processes as part of an incremental improvement effort.

Regardless, as enterprises find new offerings and better products available to them, and as customer requirements change, there is a move to reassess and improve their processes involving B2B integration. As enterprises reassess, there are several important factors that need to be taken into account to ensure that the best decision is made about the following:

☑ Whether it makes sense to change their existing B2B process

☑ Whether there is benefit in changing the location of where the process is run

☑ Whether they need to change vendors

This White Paper provides guidance and tools that will help guide B2B teams as they go through their reassessment.

Enterprises Are Re-Thinking Their Approach to B2B Integration

Enterprises begin the process of re-thinking B2B integration when they realize their existing approach is some combination of too expensive, not responsive enough or is an impediment to innovation. Four key reasons causing reassessments are:

☑ The need to better align with business initiatives

☑ Improve customer service

☑ Improve process efficiency

☑ Solve problems associated with skills shortages and retirements

Require Better Alignment with Business Initiatives

There are a variety of business initiatives that create or expose problems with B2B inefficiency. Acquisitions may force an enterprise to combine two or more B2B products or services or the acquired company may be under-invested in B2B capabilities and needs to be upgraded.

In other cases, a business may have figured out how to differentiate by innovating around services offered to customers, but those services may require an upgrade in B2B capabilities. And as a business expands into new markets, there may be difficulty supporting B2B integration in those regions, in both capabilities as well as direct support.

Improve Customer Service

Many customers are asking their suppliers to make changes to decrease the cost of doing business with them. They may decide to require more types of documents to be exchanged electronically. They may ask trading partners, who before, were not required to exchanges documents electronically, to begin doing so.

This poses resource challenges when many customers require increased automation because the activities associated with onboarding customers, supporting new document types, the addition of new communications protocols and making changes to existing maps is manually intensive and expensive.

Meanwhile, customers are also tightening up service levels and monitoring the performance of service level agreements. In some cases, they are implementing partner scorecards, and in other cases they want their suppliers to improve their level of compliance by improving their error rates.

These latter requirements mean enterprises have to improve their ability to fix any problem before it impacts the customers business. This typically requires investments in more automation to enable visibility as well as shoring up B2B integration to reduce error rates.

Improve Process Efficiency

Internally, enterprises are driving down costs by improving process efficiency. Just as the trading partner above is being mandated to increase its level of automation around B2B integration, the customer is driving down costs by also increasing automation and by reducing error rates. One way to control error rates is to measure them, which means the adoption of partner score cards and a focus on maintaining high standards with partners.

Equally as important, by increasing the level of automation, an enterprise is also able to speed up cycle times and make business changes that can be put into effect more rapidly. A key example is the ability to reduce the level of inventory maintained but while also maintaining the ability to rapidly replenish or order additional inventory.

Standardization, Consolidation, and Modernization to Improve Process Efficiency

Another area of process efficiency involves adoption of enterprise standard solutions to reduce process variability. Frequently, B2B integration is part of a larger standardization effort involving ERP applications. Costs are decreased by lowering payments for software and services from multiple vendors. It also lowers costs by decreasing errors rates, the need for training, and integration complexity.

In other cases, there is an effort to consolidate separate activities – mapping, partner communications and process integration – into a single product. Modernization involves moving from an older platform to a newer lower cost one, such as from a mainframe to a distributed system. It may also mean some type of forced change, particularly when there is a significant change to the vendor – such as a merger – or to a B2B product or service – such as a major upgrade that requires significant change to mapping or process integration.

This is a challenging period for both the enterprise and the vendor. Change is often required, but when change is significant enough, the customer uses that opportunity to make a choice of continuing with the relationship or moving elsewhere.

Reliability and Availability to Improve Process Efficiency

As IT governance manages the overall reliability and performance of IT operations, there is a focus on ensuring that mission critical systems are predictably available and supported wherever they operate. B2B integration is typically designated as mission critical. The B2B, or EDI, team often finds that are single points of failure in their B2B integration, which need to be corrected as part of a governance initiative.
Often, fixing the problem in an as-is B2B process is tremendously expensive. This creates a need to reassess the existing approach to determine how to abide by the rules cost effectively.

Skills Shortages and Pending Retirements

Staffing levels, access to skills and the approach of retirement of skilled staff are also a cause for re-evaluation. Even as demands for greater B2B integration make it difficult for an existing staff to handle the work volumes, the skillset is becoming more sophisticated as B2B evolves past EDI translations to include process integration. There may not be access to skills able to handle the work. Or, there may not be enough work to justify bringing a new person in full time or a contractor in part time. In addition, many skilled professionals are approaching or at retirement age. There is a need with this issue to figure out whether the B2B integration process needs to change to adjust for staff shortages.

Why Are Enterprise Re-Assessing Now?

In discussions with enterprises about why they re-engineered their B2B process, we find that there are typically two or more problems described above that combine into a tipping point that forces the reassessment and change.

In our research, we've found there are three major combinations of factors that will almost immediately trigger a reassessment.

Pattern 1: Doing More with Less

In this scenario, organizations are asked to support B2B integration with a fixed or reduced budget but they have significantly more work to handle than in past years. They may be onboarding more partners, more document types, supporting new and more rigid service level agreements and they may be operating under a mandate to lower costs. This pattern is illustrated in Figure 1.

F I G U R E 1

Doing More with Less
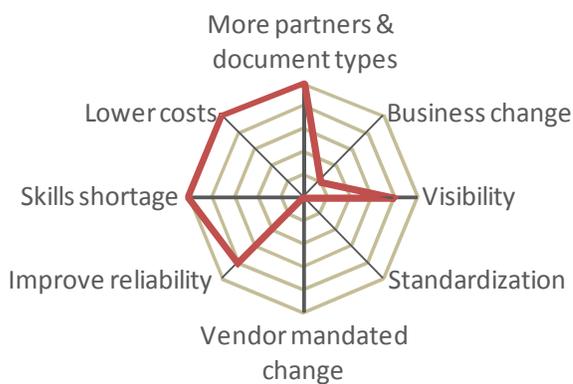
Source: IDC, 2010

Under these circumstances, the team is forced to re-evaluate because they cannot continue to operate under these conditions without making changes. Ultimately, pattern 1 assessments result in some type of outsourcing model to re-allocate work to meet service levels, cycle times and workload requirements.

### Pattern 2: Business Initiatives around Expansion

In the second pattern, lines of business may be expanding into new geographies or offering service guarantees to their customers that push their B2B capabilities. They may also need to improve their B2B integration reliability to support a new initiative. And, as Figure 2 illustrates, by pushing into new regions or adding new partners, they may find themselves with:

☑ A shortage of staff with the necessary skills to support changing expansion-related requirements, such as a greater volume of partners to onboard or the need to support new document types

☑ An inability to support B2B integration in the new geographies because of a lack of systems or staff in the new region

An acquisition will also create an urgent need to reassess B2B integration because of the cost and complexity of supporting diverse systems or because there may be process changes that impact B2B integration across organizations.

FIGURE 2

Business Initiatives around Expansion
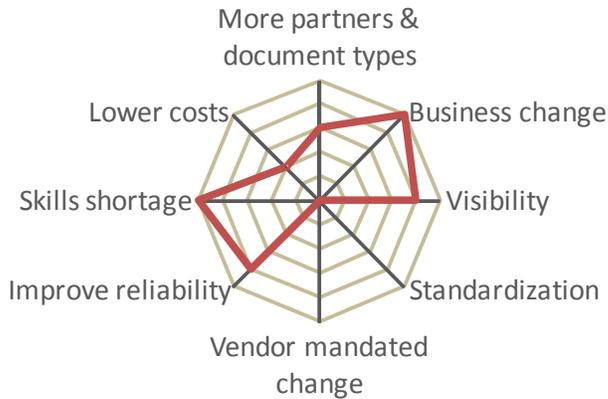
Source: IDC, 2010

Similar to the other patterns, changes are required because the gap between requirements and capabilities is too broad to tolerate. Re-assessments from this pattern involve broadening-out selection to look at both outsourcing as well as on-premises changes. For example, when a business change requires operating in a geography where the B2B integration team has no capabilities or ability to support the expansion without significant effort, it is logical to consider outsourcing.

At the same time, if the business change requires supporting faster cycle times and more dynamic decision making, that may mean there is a need to invest in new on-premises options that support low latency styles of business.

Pattern 3: Forced Changes and Mandates

Controlled urgency around reassessment occurs when the B2B team needs to respond to mandated change. This may happen with the adoption of standards across an enterprise, either globally or regionally. Enterprises running large packaged applications, such as an ERP, have opted to standardize on a single version of the ERP worldwide or within a region. That frequently has a ripple affect into adjacent areas, including B2B, which then goes through a standardization reassessment.

As Figure 3 shows, forced change also occurs when IT operations mandates changes to existing IT processes to ensure reliability of mission critical systems. The impact may be expensive, and without a matching budget, the B2B team has no choice but to change how they are doing B2B integration.

F I G U R E 3

Forced Changes and Mandates
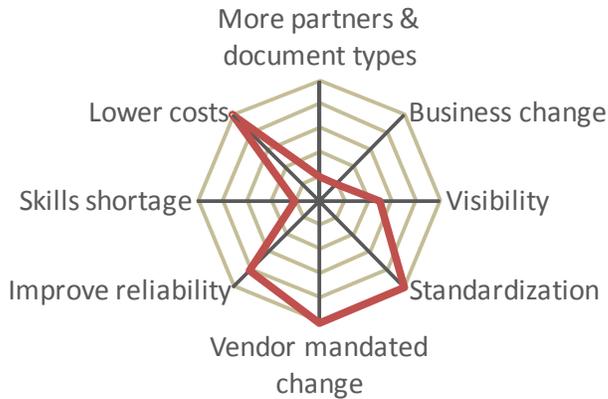
Source: IDC, 2010

Mandated change also occurs when a vendor announces a major new version of software or service release that requires action on the part of the enterprise involving changes to business processes or maps. When this happens, the B2B team begins to assess the impact of the change, and frequently, goes through an overall reassessment process about what their approach to B2B integration should be.

For example, when Sterling Commerce customers decided to migrate from IBM® Sterling Gentran® to IBM® Sterling B2B Integrator, many chose to do a reassessment and shifted at least some of the B2B integration process to IBM® Sterling B2B Integration Services. Some customers adopted Sterling B2B Integrator. And some chose a combination of both, and made a decision to significantly improve their business processes involving B2B integration.

Other times, a new look at B2B occurs because of a vendor mandated change involve an acquisition that consolidates two services or products into one.

B 2 B I n t e g r a t i o n C h o i c e s

The business process of B2B integration involves several core activities, including mapping, communications, visibility, process integration, troubleshooting, and partner community management. Enterprises commonly handle B2B integration using on-premises software, outsourcing, and a hybrid model that combines the two.

On-Premises B2B Software

☑ B2B gateway software handles inbound and outbound message or file communications, mapping, translation and integration. This traffic handles community standards-based communications, such as AS2, as well as common security standards such as SFTP and FTPS. Gateway software also translates community format standards, such as such as EDI and SWIFT, as well as generic formats.

- ☑ Community management software maintains a directory of trading partners and also provides self-service capabilities to trading partners covering integration testing, security and other activities

- ☑ Monitoring and reporting tracks all transactions exchanged through the gateway software and is used by the B2B team and lines of business to troubleshoot and answer questions from partners about the status of a document

B2B Managed Services

B2B managed service is a business process outsourcing model that takes over a set of responsibilities that are traditionally managed by a customers' internal staff. Increasingly delivered on a hosted B2B integration-as-a-service platform incorporating a value-added network (VAN) services typically include:

- ☑ Provision and management of secure and scalable B2B infrastructure with disaster recovery

- ☑ Multi-tenanted infrastructure with a complete set of B2B services offerings

- ☑ Execution of map building activities and partner onboarding

- ☑ Manage integration testing

- ☑ Ongoing runtime translations

- ☑ Mapping change management

- ☑ Monitoring, reporting and exception management

- ☑ Customizable business SLA such as document throughput times

There are also a variety of custom options that include:

- ☑ Acting as a customer's B2B help desk and

- ☑ Placing staff on a customer's premise

- ☑ Remote monitoring of B2B Gateway software

- ☑ Small partner enablement through fax and web forms

Hybrid

A hybrid approach involves using either B2B integration-as-a-service or managed service for some portions of B2B and upgrading on-premises B2B integration through adoption of on-premises software. No enterprise can entirely outsource B2B integration — assuming they are not outsourcing all of their IT operations — because the documents eventually need to be converted to records and integrated with target systems.

There ultimately is a separation of duties that require the enterprise and its managed services vendor to partner to handle B2B integration. In a 2009 study commissioned

by Sterling Commerce and executed by IDC, we identified common responsibilities handled by the enterprise and the managed service provider.

Key Activities of Enterprise:

☑ Determining whether to onboard trading partner

☑ Negotiating with partner on custom requirements

☑ Documenting customization requirements

☑ Working with internal application teams

☑ Supporting map testing

☑ Troubleshooting, auditing and reconciliation

Key Activities of Managed Service Provider:

☑ Execution of map-building activities and partner onboarding

☑ Managing integration testing

☑ Ongoing runtime translation

☑ Monitoring, reporting and exception management

For more information, see *Business Value of Sterling Commerce Managed Services for B2B Integration*, IDC White Paper, 2009.

Because this is a shared responsibility, there may be a need to upgrade process integration and partner management capabilities on premise, even though there may be a decision to outsource the mapping, testing, change management, ongoing document processing and troubleshooting.

With B2B integration-as-a-service, enterprises have the ability to shift activities such as communication protocol conversion, data translation and data quality to the service provider. In addition, they can subscribe to visibility services and can offer a web forms and fax conversion option to their smaller partners to increase the level of automation.

Bulk of Spending On-Premises, but B2B Services Growing Faster

A common way to determine the best choice is to learn what decisions others have already made. From that perspective, enterprises spend more on on-premises B2B integration than they do on managed services. However, as Figure 4 indicates, B2B managed service spending is growing much faster than on-premises software.

Spending on B2B Software and Services

In $ billions

2006 2007 2008 2009

□ VAN □ Gateway ■ Managed Service
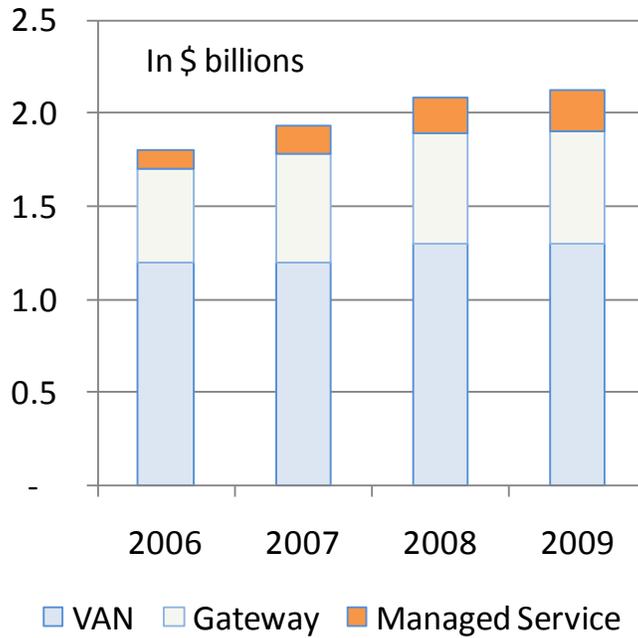
Source: IDC, 2010

Assessing the Best Fit

Once an enterprise realizes it needs to reassess its B2B process, identifies available alternatives and finds that other businesses that went through this made decisions across the spectrum of alternatives, they realize there is no single path that fits for everyone. And they begin the process of identifying best fit for their own needs.
In our research covering this element of a decision cycle, we've found that many enterprises are maturing their ability to align changing requirements with approaches that align with their investments criteria. Figure 5 shows a model that summarizes a common way to approach this alignment.

FIGURE 5

Aligning B2B Process Changes with Investment Strategy

Processes that gain competitive advantage	• **Early adopter advantage** • **Tactical processes to improve financial advantage** • **Conservative hiring**	• **Core competency** • **Grow internal skills & knowledge** • **7 x 24 x 365** • **Partner for access to skills & capabilities**
Undifferentiated commodity processes	• **Widely deployed within market but not critical for day-to-day operations** • **Try to outsource**	• **Critical for day-to-day operations** • **Minimize labor costs** • **Outsource where possible** • **7 x 24 x 365**
	Important	**Mission critical**

Greater need for control of process excellence

Greater desire to reduce process costs

Source: IDC, 2010

In Figure 5, the four quadrants represent the orientation toward when an enterprise would want to invest in people, skills and systems for process excellence and when it makes more sense to shift the process to a specialist. In B2B, enterprises fairly universally align B2B with their mission critical systems. The question, then, is whether to invest in B2B as a core competency or whether to outsource to a vendor that does.

Table 1 outlines some of the questions enterprises need to consider to assess whether B2B is strategic or a utility – or commodity process. How those questions are answered should align with where to invest to create best-of-breed capabilities or whether to outsource or whether to do some of both.

T A B L E 1

Comparison of Strengths & Challenges of B2B Software and
B2B Managed Services

		On-Premise	Managed Services
Mapping	Strengths	Ability to exchange custom messages and documents	Strong leverage across trading community decreases cost Workload significantly easier to scale across mapping experts
	Challenges	Difficult to scale staff to workload Limited mapping leverage	Ability to rapidly respond to custom requirements may pose challenge
Process Integration	Strengths	Integrates directly with target applications Support low latency enterprise-to-enterprise communications	Transformation and data quality handled efficiently Leverage from infrastructure built to handle speed, volume, geographic complexity and
	Challenges	Limited of leverage for common transformations, data quality & support of More difficult to achieve economies in infrastrcuture across geography, data quality, transformation, etc.	Delivers data to enterprise but third party software must handle integration Mediation between customer and trading partners makes it more difficulty to support low latency requirements
Visibility & Scorecards	Strengths	Able to customize performance indicators and service level agreements Can use data feeds from visibility to build custom apps to prevent problems	Benefits from scale of visibility and scorecards across all customers Value added visibility -- such as benchmarking -- can be created from scale of transcations flowing through infrastructure
	Challenges	Infrastructure to implement visibility data collection can be expensive	Customization is limited
Community Management	Strengths	Ability to consolidate services to decrease cost of managing trading partners Can more directly manage trading partner relationships	Significant leverage for developing of recruitment and onboarding tools Cost of partner support for things like security certificate updates is reduced
	Challenges	Additional application that must be managed by IT	Enterprise loses control over building directory of partner relationships
Troubleshooting & Helpdesk	Strengths	Can provide self-service to LOB without additional costs Can embed prevention into process using visibility-based apps	Better ability to scale workload to decrease costs Better leverage of skills able to handle troubleshooting
	Challenges	Expensive to handle troubleshooting	Easier to support geographically May be expensive to support all roles who can benefit within enterprise

Source: IDC, 2010

Mapping answers to the following questions to Figure 5 and Table 1 will help make it
easier to determine which activities would benefit by outsourcing and which make
sense to manage on premise. In some cases, enterprises find that it makes much
more sense to control and invest in improving B2B on-premises, while others decide
to move many of the activities to a managed service provider.

**How much differentiation can we achieve by innovating around a shared B2B
process with our trading partners?**

☒ If there is significant differentiation available by re-thinking services offered, the
flexibility of an on-premises offering may be critical. Indicators include customers'
desire to exchange data that has nothing to do with EDI or other standards and

everything to do with information they need to make decisions more dynamically about inventory, availability, etc.

☒ If the differentiation is the ability to speed up the integration required to meet customers automation requests or otherwise lower costs by increasing the level of automation, there may be a stronger basis for shifting to managed service

Are our service levels around mapping and mapping changes predictable or do they vary widely?

☒ Is this getting better, or worse?

☒ Is this causing customer dissatisfaction?

What are our error rates?

☒ What would it take to reduce them?

☒ Are they related to manual data entry, lack of investment in reliability, data quality problems?

☒ Do we really need to invest in reducing error rates ourselves or will we get better leverage by shifting this to an outsourcer?

How important is real-time or low-latency communications?

☒ Are my customers significantly decreasing inventory levels and moving to faster response for manufacturing and fulfillment?

☒ Will decreasing cycle times and lower inventory level require our company to make our process more dynamic to meet the response?

☒ Are our competitors shifting to be more responsive?

☒ Can we differentiate by focusing our B2B integration on controlling our processes to align with increasing cycle speeds of our customers?

**How well are we managing our trading partners?**

☒ Can we solve problems by identifying them before we disappoint our customers?

☒ Is it important enough to invest in ourselves?

☒ Are we finding it difficult to contact a partner when there's a problem?

☒ How important is it to control problem resolution ourselves? Are we doing this better than an outsourcer can?

☒ Is there competitive advantage in re-engineering to improve problem resolution ourselves?

☒ What would be the benefit of recruiting more partners to trade electronically, and is this a key differentiator around our ability to decrease costs?

Will we gain greater business benefit by focusing process improvement, or will our return on investment for improving B2B integration processes be greater by moving to a managed services model?

In studying the financial benefits when Sterling Commerce customer migrated from Sterling Gentran to one of Sterling's B2B Integration Services offering, we found that customers reduced their total cost of ownership per partner by 121%, outlined in Figure 6.

FIGURE 6

Annual TCO per Partner in Managed Services Model

	Inhouse	Sterling Commerce
☐ Services	$6,372	$4,233
☐ Labor	$4,554	$1,098
■ Infrastructure	$1,209	$165
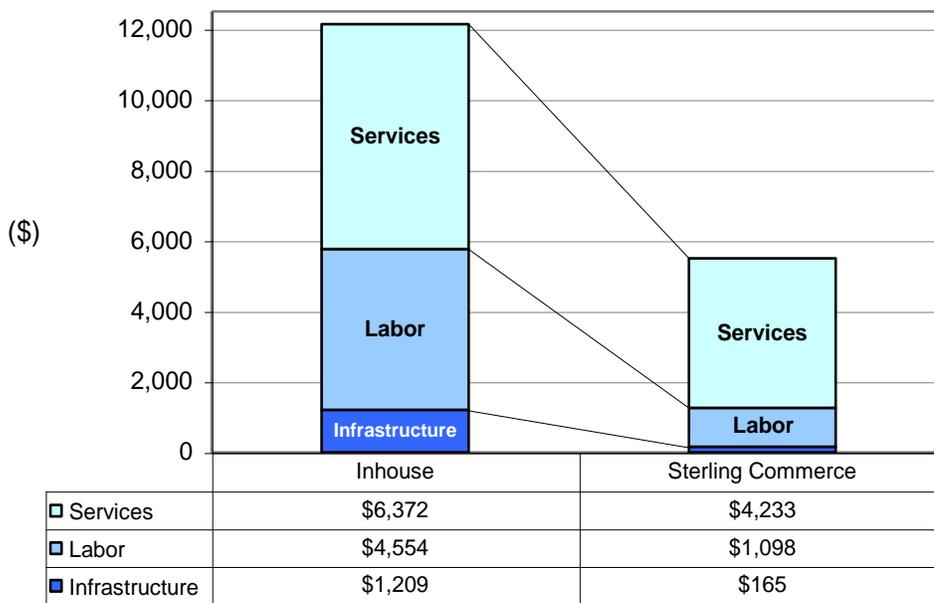
Source: IDC, 2010

There is clearly a significant savings opportunity that can be achieved by B2B integration as an opportunity to lower costs through outsourcing. Therefore, enterprises reassessing their B2B processes need to balance their ability to lower costs and provide greater average service with the ability to gain competitive advantage through innovation around B2B integration.

Some organizations are opting to optimize around managed services, some are optimizing inside their datacenters and others are building hybrid approaches.

STRATEGY ASSESSMENT WORKSHEETS

The following worksheets can help organizations determine where managed services for a B2B processes fits within their business strategy, and why they should be rethinking that strategy.

Why Rethink Your B2B Strategy Now

Score: 0 = not a problem, 1 = We expect this to be an issue in a few years, 2 = We have issues or concerns occasionally, 3 = We are planning to address this issue, 4 = We need to resolve this issue within the next 12 months, 5 = Urgent or significant immediate concern	
Are there any internal initiatives that will require us to improve the reliability or availability of our B2B capabilities or comply with internal standards or external regulations?	
Have we identified an opportunity to innovate by changing how we interact with our customers or supply chain? If so, does the interaction require additional capabilities involving integration, visibility or process automation?	
Can our existing team support the pace of change required to support our trading partners?	
As our B2B requirements grow, are we able to grow our budget to support these requirements?	
Is our organization reducing the number of vendors and trying to standardize our integration capabilities?	
Do we anticipate any changes to our existing B2B vendor's service or software offerings?	
Are we concerned about the financial stability of our vendor?	
Will any of our key EDI/B2B vendors require us to make a major change to our software or processes over the next 24 months?	
Is our current vendor part of an M&A activity and the resulting consolidation process?	

If you answered 4 or 5 to any of these questions, it is time to rethink your B2B integration strategy.

Determining Organizational Needs

Score: 0 = not a problem, 1 = We expect this to be an issue in a few years, 2 = We have issues or concerns occasionally, 3 = We are planning to address this issue, 4 = We need to resolve this issue within the next 12 months, 5 = Urgent or significant immediate concern	
Are more customers asking us to increase our level of support for EDI/B2B?	
Are we currently or planning to cut costs by increasing our levels of	

automation around our B2B partners?	
Has our EDI team been reduced or are we concerned about upcoming retirements?	
How available are new hires skilled in EDI?	
Do we need or have budget for the new hiring requirements?	
Answer the following questions by filling in with current and planned levels of staffing	
How many new trading partners are do we plan to onboard over the next 24 months?	
How much more or less is that, by percentage, than the previous 2 years?	
How much total time (by hours) does it take to onboard a trading partner?	
Multiply # of new trading partners by the average time to onboard a partner; divide the results by 2 and then multiple by the % increase or decrease from previous year. This gives you the number of additional hours that will be spent each year onboarding partners. **Divide that by 1,920 hours (average # of hours worked by an employee). That provides you with the additional headcount required to support partner onboarding. Enter that number in the column**	
How many trading partner change requests do we support annually?	
What is the average total time (by hours) required to make the change	
Multiply # of trading partner change requests by the average time it takes to make the change and then multiple by the % increase in changes. Divide that by 1,920 hours and enter the results in the column	
How much staff will we need to hire support our anticipated level of trading partner support? (Add the results from your two sets of calculations)	

If you answered 4 or 5 to the top set of organizational-needs questions, chances are you will be running into support problems and will need to make changes to your budgets or approach to managing B2B integration.

In looking at the additional staff required to support your anticipated level of trading partner support, it is important to note that answer that result in fractions, eg 1.5 or 3.2 or .35 result in inefficiency. Typically, when staff members are not fully utilized in an organization, they need to find additional projects to fill their time. Trading partner onboarding tends to happen sporadically over a period of time.

The greater fluctuation there is, the greater the difficulty of hiring additional staff and keeping them focused on onboarding and mapping changes because the new hires will need to take on additional responsibilities to meet productivity standards. This may cause the B2B team to miss onboarding and change management service level commitments as the new staff put the onboarding request into a queue that may filled with the additional responsibilities. Ironically, this furthers the cycle of poor response times to onboarding requests.

In our B2B integration ROI study mentioned above, this problem was one of the key reasons enterprises opted to outsource their B2B onboarding process to a managed services provider.

At the same time, the closer to a whole number the additional hires calculation is, the greater opportunity there is to hire new staff and keep them dedicated to B2B integration.

Geographic Expansion

Is our organization expanding into new regions or countries? If no, skip this section	
If so, will we be able to use our existing B2B capabilities and staff to support this expansion, or do we have a coverage gap to support different time zones and languages? (yes/no)	
How many new partners will we need to support to expand geographically?	
How many documents types will need to be supported for the expansion?	
How much transaction volume?	
Can we support the new region by hiring skilled staff and keeping them busy full time?	
Does it make sense from a cost perspective to license B2B software and operate it in the new region(s)?	

If you answered "no" to the last two questions, geographic expansion will be greatly assisted by shifting to a managed services model. However, answering "yes" indicates you can manage B2B integration successfully on your own. The question that you also need to answer is whether supporting your own operation provides competitive advantage or whether the focus should be on lowering costs through outsourcing, referring back to Figure 5.

Process Improvement

What is our EDI error/exception rate?	
What is your average length of time to resolve an exception (in hours or fraction of hours counting everyone involved with troubleshooting)?	

How many documents are exchanged with trading partners annually?	
Multiply the exception rate by the number of documents exchanged by the average length of time to resolve exceptions. Divide by 1,920. The result is the annual staff time involved with troubleshooting and handling exceptions, **Enter the result in the column**	
What is the growth rate of documents exchanged electronically?	
What percentage of trading partner documents are created manually?	
What is the average time spent (in hours or fraction of an hour) manually creating a document?	
Multiply the number of documents exchanged by % of documents created manually by the average time spent in creating document. Divide by 1,920. The result is the annual staff time involved with manually creating documents, **Enter the results in the column**	
How long does it take to find out there is a problem with a key document?	
What is our average time to respond to trading partner requests for information?	
How easy is it to get real-time visibility into the status of an order document?	
How do our trading partners rate us for timely and accurate response to their trading requirements?	
How many different B2B products do we support across our enterprise?	
Of those, are there any that are legacy or no longer sold by the vendor?	
Do any of our implementations create a single point of failure? How many?	
What happens if any of those systems go down?	
How many different B2B services do we support across our enterprise?	
If we could bring trading partners onboard faster or less expensively, check the following areas this would improve:	
Profitability	
Customer satisfaction	

Competitive advantage	

Significant cost savings can be realized by reducing exception rates or by decreasing the percentage of documents manually processed. At the same time, improving the B2B integration process around these areas often results in higher customer satisfaction. Multiplying the staff time spent in troubleshooting and exceptions as well as manually entering documents by the fully loaded cost of an employee on your team will show you the total cost of inefficiency in these two areas.

Often, the business value of decreasing these numbers will justify any investment in improving a process.

Other important considerations are the cost of running multiple B2B integration efforts if your company hasn't standardized on a single vendor.

Finally, if you checked off any of the improvement areas associated with faster or less expensive onboarding, it is important to explore and quantify the benefits associated with each option.

Determining Vendor Capabilities

Rank the following areas in order of importance — with 1 the most important, followed by 2 or 3 — to determine which capabilities you need most from a vendor:

B2B Integration Infrastructure	
Optimized and scalable to support the increasingly complex ways and locations global trading partners want to do business	
Guaranteed availability 7x24x365	
Support growth in on-boarding and change management without the need to hire additional resources	
Demonstrate rapid ROI	
Improve efficiency and customer satisfaction by decreasing error rates	
Find more efficient ways to support and increase the effectiveness of B2B business processes	
B2B Visibility and Troubleshooting	
Enable a single real-time view across the supply chain	
Enable self-service monitoring within lines of business	
Improve time to resolve transmission and lost document errors	
Business Process Management	
Create and meet specific and customized B2B service levels for specific document types exchanged with specific internal and external customers	

Community Management	
Multi-lingual and multi-time zone support	
Global directory of trading partner contacts and escalation contacts	
Map testing	
Flexibility in changing deployment options	

Evaluating B2B Vendors

During any reassessment of processes, enterprises inevitably include vendor reassessment in their decision-making. As they decide how they want to improve their B2B processes, an enterprise's new emphasis may mandate a change in vendor. Key considerations include:

☑ Whether the existing vendor will support their needs for a more agile or cost effective process

☑ Is the vendor's products or services the best available when a decision to standardize and consolidate is made

☑ If a vendor is forcing the enterprise to change because they are making a major change to their products or services, the enterprise may choose to reassess all competitors to determine whether the cost to invest in the change is worth it

☑ If an enterprises is shifting key B2B activities from on-premises to outsourced, does the current vendor have an offering and is it adequate

☑ And, if an enterprise shifts to a managed services model, and their needs change again to the point where they need to pull back more activities into their datacenter, what is the impact on migration costs and speed to results?

Ideally, any vendor offering B2B software offers the same capabilities as a managed service offering. Likewise, an enterprise may find it has customers with needs that can be best served with on-premises B2B integration software. That means the B2B team will want to know that the same features offered as a managed service can be deployed and available as on-premises software.

Vendor Evaluation Checklist

In looking at vendors capable of offering B2B integration, the following considerations are important:

Financial Stability

In looking at any vendor that will provide software or services to support a mission critical system, it is important to determine whether the vendor has a balance sheet that will allow them to invest and be there in the long run.

Almost as important is the need to assess whether B2B integration is strategically important to the vendor. Is this an add-on capability that is not an important part of the vendor's portfolio or is it a core component and invested in.

Talking to customers and gaining an understanding of traction for the specific products and services is important in that assessment in addition to gaining an understanding of each vendor's roadmap and plans for the future.

Availability and Scalability Guarantees Backed by Proof

Customer references of B2B operations of equal size are important to determine whether the vendor will be able to support the complexity requirements, including:

☑ Scalability

☑ Availability

☑ Geographically dispersed local presences

☑ Proven skills in your industry

Ability to Integrate with Key Applications

Tied to the cost of adopting a new vendor is the need to understand whether the vendor has the connectivity required to integrate with key applications across platforms with on-premises software.

For a managed service, it is important to know how far the vendor can go in converting documents to records that can be received by your applications. The cost you will need to go through inside your datacenter to make changes needs to be factored into the overall vendor evaluation.