

Supplier Relationship Management Solutions

SRM Research 2008 - 2009

Solution Analyses and Business Insights



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Preface

We are pleased to present you the sixth edition of our SRM survey. It is interesting to see that over the last eight years we have been doing this survey, the market for SRM is still growing and investing in these applications. Although we all assume that implementing an SRM tool is quite easy, reality shows different.

On the sourcing side we see that applications are relatively easy adapted. The group that has to work with this new application are mostly buyers or other people within the procurement organization who see the advantages of using this tool. Either to improve saving through e-auctioning or to improve and ease the process through e.g. eRFQ. But also suppliers have accepted the introduction of tools.

The operational procurement side however is a different story. Most of the times the wish for e-procurement is pushed from the purchasing organization but has an impact on many departments and individuals within your organization. We therefore don't see e-procurement so much as an implementation of an application, but a change of mind in your organization, reaching out to many stakeholders.

Besides sourcing and operational procurement, spend intelligence remains a top five issues for most of the CPO's. Master data management and business intelligence are the magic words. If you cover these in SRM you find the transparency you need in your journey to world class procurement.

Apart from the survey, which gives you an overview of the major players in the market, we also wanted to

share our experiences, issues and questions we daily see as procurement professionals implementing and optimizing SRM.

We therefore asked our foremost colleagues to share their view and experiences on SRM, which resulted in seven expert opinion stories, each telling something about SRM, all from a different perspective.

With these topics we challenge you to think further than the application itself: Why should you think about SRM? The World of SRM in the year 2008. The need for vision and strategy for SRM implementations. What is your system strategy? The impact of a solid system strategy and managing your supply base with SRM.

The external resources and purchase to pay story is a case on external resources. Since we see the usage of services like contingent workforce as a trend in the SRM market we think it is valuable to share our previous experiences on this topic. The case on contingent workforce gives insight in difficulties you can come across. This enables you to learn from previous experiences.

The final part in this study analyses the results of the SRM functionality survey. This analysis is based on a series of questions designed to address whether the software covers a specific set of functions within the SRM functionality.

In our opinion SRM is something which could change your procurement organization completely if done correctly. Learn from what other companies have experienced!

Our procurement experts have worked on this study with great pleasure. We hope you enjoy reading it as much as we enjoyed writing it and look forward to your feedback. Let it be an inspiration for your further initiatives.

We wish to thank all vendors and colleagues who have contributed to this year's SRM study.

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Contents

OPINION STORIES

Why SRM? 07

The World of SRM in the year 2008 09

Creating the Right Environment for a Successful P2P Lift-off 11

Optimal User Experience: the end-user as stakeholder 13

The Impact of a Solid System Strategy 17

Managing your supply base with SRM 21

External Resources and Purchase to Pay 24

ANALYSIS

SRM Functionality Analysis 27

External Resources 44

Appendix 46

Why SRM?

SRM is hot! Many Purchasing managers talk about Supplier Relationship Management and the implementation of their solution. But what is SRM? What problems can be solved with successful SRM? What precedes the implementation?

Strategy is the basis

Before jumping into SRM solutions, it is essential for an organization to have a clear vision on their purchasing strategy. This strategy describes, for instance, how the company's relationship with suppliers is envisioned. This includes which suppliers should become preferred business partners and which suppliers are only scored based on simple price and/or quality measured. The strategy also should formulate how the company plans to control direct and indirect spend and what conditions the purchasing processes should satisfy.

Processes must be clearly defined

Processes can be developed based on this strategy and the following Capgemini Procurement process model (fig. 1).

The circle on the left is the Strategic Sourcing cycle which represents all the sourcing activities. This encompasses the activities from gap analysis up to contracting. SRM can, for instance, support these processes with tools offering eRFP and e-auctions.

The circle on the right represents the operational purchasing process. This cycle includes the processes from the order up to the payment. This is often supported with SRM tools such as e-catalogues, and also with more elaborate tools that can be used to

record requirements, dispatch orders, record good receipts and pay invoices. The circle in the middle represents Contract Management. When the Sourcing cycle delivers a contract, it is important that the contract becomes available in the operational process. But, on the other hand, it is also important that only contracts that fulfill needs are signed. To support Contract Management a 'Business Intelligence' tool can be used. This tool provides access to information from both circles and can be used as input in the decision process.

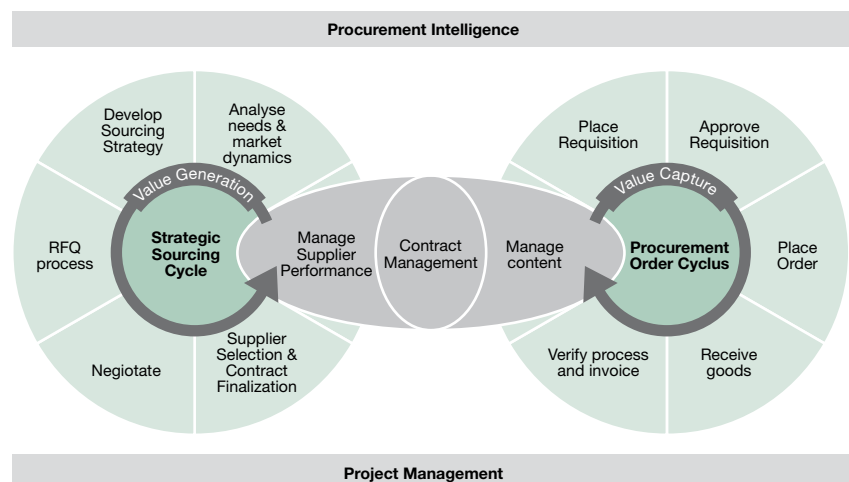
But when to use SRM?

Theory is nice, and we have reconsidered our strategy and processes. But how can SRM help me? The reasons for choosing SRM tools are abundant, but those in practice are about control, better purchasing and process optimization:

Control

- Every saving of spend immediately generated free cash to invest elsewhere in the organization. By using SRM tools in combination with a Business Intelligence tool in the operational processes, spend becomes more visible. The information can help the purchaser to identify potential savings and perhaps to realize savings with new contracts.
- Maverick buying (buying outside of contracts) is a persistent problem in many organizations. This is not only a waste of the purchasing function's effort to realize good contracts, but maverick buying can also lead to dire consequences, especially when European tender regulations apply. By using SRM tools in the operational processes the use of existing contracts can be enforced in a user-friendly way. These tools

Fig. 1: Capgemini Procurement Process Model



can also generate reports about maverick buying and enables management to take counter measures. In this way, purchasing can be brought under management control.

- Ever since the publication of “An inconvenient truth” by Al Gore, the importance of Corporate Social Responsibility has increased in many organizations. To work according to the principles of CRO also means that suppliers must comply with the same principles. By using SRM tools in the Sourcing cycle, this condition can easily be included in every tender. By using SRM tools in the operational processes, management can easily retrace past suppliers, enabling management actions.

- **Better purchasing**

- The Sourcing cycle in many companies consists of recurring activities leading ultimately to a contract. These activities often generate a large administrative burden. By applying SRM tools in the Sourcing cycle, many of the administrative activities are supported. Standardization is enforced by the technology and past projects are used as a reference. In many cases they also offer functionality such as reverse auctions that allow you, as a customer, to auction your expected spend, in a specific category among potential suppliers. The supplier with the lowest price can eventually sign a contract for the auctioned category. Although potentially lucrative, this only works when processes are well defined and well executed. It should also be noted that SRM tools cannot do everything. You

still need to negotiate yourself and purchasing remains the work of people. SRM tools only provide support that helps people to do their job better.

- **Optimizing the process**

- Purchasing and ordering is the work of people. Everybody who wants to buy certain goods can pick up the telephone and eventually receives the requested goods. Although it does not comply with the desired processes, it happens in every organization. The only way to more or less exert control is the implementation of purchasing channels. A purchasing channel is a standardized and an easy-to-follow way for those with a purchasing need to order goods. Examples are:
 - Ordering office supplies with an e-catalogue
 - Payment of gas of a lease car with dedicated office credit card (p-card)
 - Expense statements (e.g. lunch with a customer) in a specialized application
 - Ordering parts with a MRP application.

In short, for every product category a logical purchasing channel is used. As soon as these purchasing channels are determined a SRM tool can be used to implement them. Most SRM packages are perfectly suited to use catalogues for various categories; while some SRM packages only support the entire operational process of specific categories (e.g. temporarily labor).

- Besides contracting and ordering, the operational purchasing process of the payment process. Many organizations lose money

because invoices cannot be matched with the orders. In these cases, a lot of work is required to check the invoice. By applying SRM tools and intelligently choosing your purchasing channels, these lost invoices can be reduced significantly. More invoices can be matched with orders and good receipts. It is even possible to introduce Self-Billing.

Think it over

SRM tools can deliver value to your organization, but practice shows that implementation is not always easy and that results can be disappointing. It is therefore important to clearly think why you want to use a SRM tool and to make sure that is in alignment with your strategy. Ask yourself what your software requirements are and choose the application that fits in your organization. Last but not the least, remember that preparation is 80% of your implementation.

The World of SRM in the year 2008

Although it is interesting for organisations that start a Supplier Relationship Management (SRM) initiative to know which applications are available and which functionalities these applications have to offer, even more interesting it is to know what the world of SRM looks like. Which SRM tools are used most often by organisations? Sourcing tools, eProcurement tools, Contract management tools or Spend analysis tools? What is the reasoning behind this? Is the usage of a tool still rising, stable or decreasing? Can we expect an increase of particular SRM tools in the next years based on trends in the SRM market? Do organizations use simple inhouse build applications or professional (commercially available) integrated applications? All these questions are worth considering looking for a SRM application.

The majority of organizations use SRM Tools

A range of different Supplier Relationship Management tools are available on the market such as Sourcing tools, eProcurement tools, Contract management tools, Spend analysis tools etc.

Overall we experienced that spend analysis tools are used by the majority of organisations, followed by eProcurement tools. A relatively large part of organisations use Sourcing tools (eRFX, eAuctioning and eSourcing) while only a minority of organisations seem to use contract management tools.

Most spend analysis tools are in-house build applications

Almost every organization, how rudimentary so, has some sort of spend analysis tool to keep track of spend.

This varies from easy and simple in-house build applications such as Excel spreadsheets all the way to professional integrated and within the organization wide rolled-out applications. However most organization nowadays still use in-house build applications instead of commercially available applications.

It is interesting to see that when an organization uses commercially available applications the percentage of spend analysed is higher than when they use in-house build applications. This could be explained by the fact that it is simply easier to analyse spend data when using a commercially available application, but it could also be because the organisation invested money in the application and there is a business case to earn the invested money back.

Usage of Sourcing tools remain stable for eRFX and eSourcing

The first interesting fact is that most of the applications on the sourcing side of the circle are hosted through an Application Service Provider (ASP). This means that you do not actually have the tool installed on your network, but use the application via the internet whenever needed. Pay per use is a common way in these kind of situations.

We see that more than half of our customer base uses a tool to optimize their sourcing process and increase savings on contract.

Over the last years the percentage of organisations that use eSourcing tools and eRFX tools remained quite the same. However the number of companies using eAuctioning decreased.

Why is that? We think this is due to the fact that most purchasing organisations are professionalizing. Organisations are looking for partnerships with their suppliers more often as the time of squeezing suppliers is over. Also - probably mostly thanks to eAuctioning but also the internet - the market for commodities that are auctioned has become more and more transparent, reducing the need for auctioning.

The usage of eProcurement tools is still rising

Contrary to Sourcing tools, being ASP solutions, currently more than fifty percent of organizations use eProcurement systems as a part of their ERP system. However the world of ASP solutions for E-Procurement is rising fastly.

The use and implementation of e-procurement tools is still very high, in fact it is still rising. Almost three-quarter of organizations are using eProcurement tools. The percentage of spend through eProcurement tools are mainly for indirect goods. The percentage of spend for services that goes through eProcurement however is not very high. This is surprising since most organizations spend a lot of money on services such as Contingent Workforce and figures have shown that by optimizing this process companies have achieved savings of over 20%. We therefore expect that the percentage of spend through e-procurement for services will increase rapidly over next years. Since we see the usage of contingent workforce as an important trend in the SRM market and this is likely to be the most challenging category, we have devoted a separate section in this research on

contingent workforce. This section contains a client case in which we share our previous experiences on this topic and give insights in difficulties you might come across.

Contract Management tools are applied less than other tools

It is interesting to see that the usage of Contract Management applications through an ASP solution is twice as high as the usage of applications integrated into an ERP system.

Compared to other SRM tools we see that Contract Management tools are applied least by organizations. Maybe not correct but understandable is that Contract Management in most organizations is only viable on two occasions. Firstly when the contract is being closed but secondly more often when a contract needs to be managed if the supplier is not delivering accordingly. If the supplier is doing what companies have agreed upon most of the time a contract stays locked away in the drawer and is even tacitly prolonged.

However there is another strong need for Contract Management and this is when companies split or merge. Therefore within sectors as Energy and Utilities we see an increase in the use of Contract Management applications.

Nevertheless, we expect that the usage of Contract Management will increase in the coming years. Purchasing will take a leading role in managing contracts to make sure contract compliance is achieved and maverick buying is being reduced.

However this will always be in combination with operational procurement or eProcurement.

The results of SRM are to be proven

The world of SRM is still in full motion. Although most companies focus on the operational side of SRM, Contract Management is rising. On the sourcing side SRM is staying behind. E-Auctioning is not growing and eRfx is used particularly by those organizations that have a lot to do with difficult tender processes such as the European Tender Regulations. Although many organizations have some sort of maturity in SRM, mostly on the spend intelligence part, the coming years will be proving that SRM has an added value to the business.

Creating the Right Environment for a Successful P2P Lift-off

The decision to start a P2P project is proven to be not at all easy. Even with a strong business case, many organizations do not feel directly comfortable with the initiative. The main reason for this being the great number of stakeholders involved; and to make it worse, they are scattered all over your organization. Over the years of our involvement in P2P projects, we found that even a clear decision of the board of directors does not guarantee success. So, how do you create the right environment for a successful P2P initiative? We have found a way to speed up the decision phase and test whether the intent and alignment of the organization is strong enough to overcome the challenges of a P2P initiative.

When starting a purchase to pay initiative, every organization we spoke to was aware of the fact that proper preparation is necessary. But, what is a proper preparation? Many have started blueprinting processes or started a package selection first. We found that there is more to arrange for if you want to create the right environment for a successful lift-off. The conditions for success of a P2P project are:

- A clear case for action, translated into clear objectives
- A proper understanding of the value of P2P in the context of the end-to-end procurement process
- A clear vision of the future process and way of working
- Good understanding of the organizational impact
- A clear and approved procurement systems strategy
- A set of clear P2P policies
- Alignment of all of the above for the key stakeholders of your organization

- And for the change phase
 - Budget
 - Ensure proper project resources and staffing
 - A common agreed message and messenger towards the organization
 - Ensure mandated steering committee

Momentum, experience and decision making are the key

We found that organizations which had prepared for P2P projects for many months and even years in some cases, were still not able to get all the elements for success in place. In most cases, they had either lost momentum or did not have proper experienced staffs in the team. However, in all these cases they were not able to bring the various stakeholders together to guide them through a focused decision making process. In most cases, we have been able to create the right environment within a period of four to eight weeks. The key to success is a combination of experience and the use of a single day management workshop in an accelerated environment. Does your organization have the right set of skills to execute a focused decision making process?

Key capabilities for the first phase of preparation

Your team will have to be quick and focused; and it will need to consist of very committed resources. Key capabilities your team should have are:

- Understanding of the value of P2P in the context of the end-to-end procurement process
- Ability to create a financial and non-financial business case
- Understanding of CSF and lessons learned from other implementations

- The ability to execute stakeholder analyses
- Experience with project planning and roll out schedules
- The ability to execute visioning workshops with stakeholders
 - Ensure main objectives are agreed upon
 - Formulate main message and messenger to the organization
 - Ensure all upfront P2P policies are decided upon
 - Ensure proper project resources and staffing
 - Ensure mandated steering committee

Especially after the vision workshop, you should be able to draw a fundamental decision: can we kick off or leave the initiative to rest for now? If you notice that you haven't got majority of the above in place and your gut feeling tells you that the organizational commitment is simply too low, don't push through or be prepared for a very long (and expensive) journey.

Conclusion

The first phase is the most critical phase of the project. Management needs to be aligned and also agree to the P2P objectives and organizational policies. If you don't have experienced P2P resources, invest in external resourcing. Use of accelerators such as Capgemini's accelerators can speed up the focus and decision phase dramatically.

Whereas in the past we spoke about applications that mainly focused on either Sourcing or Operational Procurement, there are no longer many vendors that make that distinction. An integration of functionalities has taken place.



Optimal User Experience: the end-user as stakeholder

Introduction

After a SRM solution has been defined, a system has been selected and implemented, the project has delivered a first release, processes and procedures have been translated into an organizational model, what will then be the visible result for most employees of a company and its ecosystem? A new or changed interaction with other users through a user interface. The result of the project is therefore not only about business case results, new processes, procedures and a technology solution, it is also about users interacting with a new or changed system. Despite the fact that the end-user stakeholder heavily influences all of these results, it is often the case that this stakeholder is forgotten, resulting in low acceptance, decreased productivity of users and increased training and support costs. Stephen Covey said it right, “begin with the end in mind”. In this case, “the end” is a set of user interactions with a new system. It is therefore important to keep this end-user’s perspective in mind from the beginning till the end. This chapter describes how this can be done, resulting in more efficiency of SRM projects in delivering more effective results.

The User as Stakeholder

Transforming SRM processes goes hand in hand with the implementation of new systems or changing existing systems. Therefore each transformation has three main stakeholders:

- The business owner: responsible for the business case, adding value to the organization’s procurement processes.
- The technology provider: providing the SRM solution and offering possibilities to improve SRM processes.

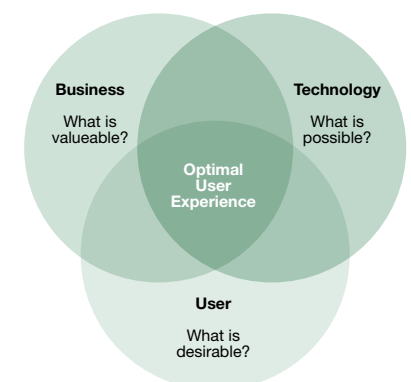
- The user: desiring efficient, effective and enjoyable experiences with the system.

A transformation is successful when an optimal user experience is implemented; users in different roles can use the system in such a way that they are more productive and therefore add value to the business case in terms of improved quality of processes, data and reduced costs, based on an effective technology solution. By involving the user in every step of the selection, design and implementation of a SRM solution, it is possible to deliver this optimal user experience.

User Experience versus User-Friendliness and Usability

User Experience is defined as the overall experience and satisfaction a user has while using a system. The user experience will be influenced before, during and after using a system. So it is not only about the user interface itself (where user-friendliness / usability aspects are essential), but also more generic about the sys-

Fig. 1: Optimal User Experience Model



tem, enabling users to reach specific goals. Before using the system, the user experience can be influenced by improved communication, training and involving users during the implementation of a system. After using the system, it is essential that the task a user has fulfilled using the system, is processed correctly and the feedback is given to the user through track & trace processes. Often, only parts of the user experience are addressed during the design and implementation of a SRM solution. For instance, the user interface is optimized and made more user-friendly. This is however not a guarantee for a better user experience, since it might be that the training and communication of users is still not optimal and could have even more impact than improving the user interface itself.

It is also important to know how users perceive the new system and its impact on their daily job. This aspect of change management should not be underestimated. A transformation program with users being negative about its impact on their daily work with systems will influence the overall success of the transformation. For example, a large-scale CRM implementation for a bank failed because of users not accepting the user interface in their daily process. This transformation therefore failed and a lot of time and money had to be put into it to make it a success.

What Users Want

End-users are real people. Their behavior in using systems can be compared to the general behavior of people. For systems, a user experience pyramid can be defined as Maslow's hierarchy of needs pyramid. A user is

first of all looking for a system that improves an existing situation. The system enables the user to make an existing process easier in a trustful and reliable way. Once this level has been reached, it is possible to create a more inspirational and personal user experience, enriching the user's intelligence by providing more insights into personal data and processes based on workflow and individual task lists. The third stage is about the actual transformation of users, for instance, by making systems smarter and reducing the amounts of user interactions in a user interface by using smart agent technology for instance.

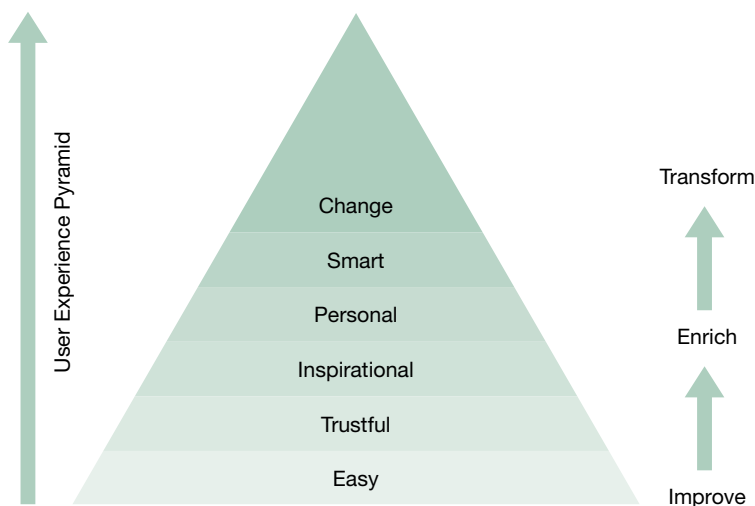
Involvement of End-users

Now the main question is how to involve the end-user as stakeholders in every step of a SRM implementation and how to organize this within a SRM program or project. Often, end-users are organized in a user-board or user-group; and from change management perspective they are involved in communication and training processes. However, there is more to gain from end-users when there is a difference between end-users who are involved in the project (members of a user-board) and those who are involved during testing and validation sessions without involvement in the project itself. Below are some examples of how users can be involved in each stage of a project.

■ SRM vision & strategy

From a stakeholder's perspective it should be made clear in the vision and strategy phase, what SRM will bring to different types of users and how they will be influenced in their daily work in terms of efficiency (doing things right in less time) and

Fig. 2: User Experience Pyramid



effectiveness (doing the right things). High-level personas (model users, for instance, for management and support roles) and user scenarios can also show what the end-result will look like for the actual people involved in procurement processes. This way, business goals are translated into user goals and the synergy between the two can be defined. At this stage, it is already possible to use the latest simulation and communication tools with new research on how people create complex software. Instead of writing words in documents, it is possible to simulate and visualize the end-result and validate it from business, technology and the end-user perspective.

■ **Business case**

In a business case phase, it is possible to define the ROI from the user's perspective. For example, based on a high-level task analysis, it is possible to predict the impact on user productivity, define the optimal learning curve for different types of users and define the expected level of support while using the system. Most of these figures can be quantified in a business case. Then, it is also important how these business case parameters will be tracked, during the benefits tracking of a project after implementation.

■ **Requirements**

Next to business requirements, functional and non-functional requirements, it is important to define requirements based on a user-centric point-of-view. The user frequency (how often will users in different roles work with the SRM system at a certain time-period) will influence these requirements. For instance, a manager will require certain management reports on specific

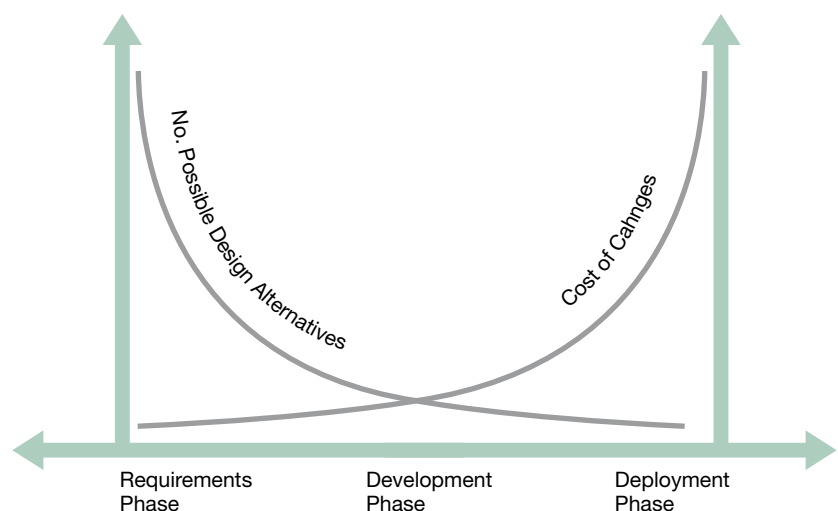
SRM processes. The question is how often these reports should be delivered, in what format and for what purpose. This will influence the requirements, for instance, real-time access to a dynamic reporting tool in a portal, scheduled reports delivered in the user's mailbox in Microsoft Excel or alerts in a user's task list in the system. In a project where the requirements were not defined at this level, the managers were not able to get the right reports out of the system and their mailbox was "spammed" with hundreds of alerts from the new system on a daily basis. As a result, they asked their secretary to create reports manually, leading to additional time and costs and decreased user productivity. Also, in a package selection process, it is important to define these user requirements on the four elements of a user interface: structure & naviga-

tion, content & data, look & feel and interaction & functionality. Specific usability and user interface checklists can be used for this.

■ **Design**

Using a User Centered Design (UCD) method during the design phase ensures that all user interface designs are based on the user's perspective and usability best practices; and are tested in prototypes and simulations with end-users during the design phase. During both requirements and design phases, it is possible to change without huge effects on planning and cost. So, involving users before going into production (for instance, by organizing a usability test on the release candidate of a system), often results in valuable user feedback that cannot be implemented in the release because costs are too high (see figure 3).

Fig. 3: The number of possible designs decreases as the cost to make changes increases



Source: Bies & Mayhew, 1994, p. 80

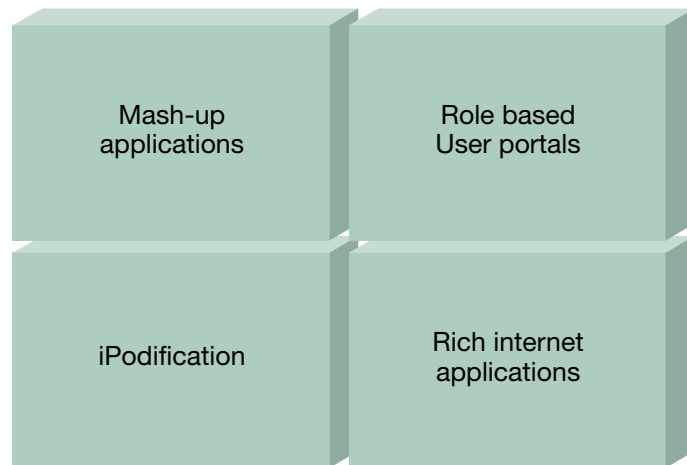
- **Development, deployment and implementation**

During deployment, a user-board can be used where heavy users are seen as sponsors of the new system, introducing it to other users and showing the actual benefits, next to more classical ways of training end-users with blended learning tools. Often usability tests are planned before implementation. However, it is more important to measure the user productivity after launching the new solution and ask users to score the user experience based on user research.

Evolution of the User Interface

User interfaces change rapidly. This is caused by the possibilities offered by technology vendors and the way users behave in using systems. An important trend is the fact that users are used to using flexible, personalized and role-based user interfaces at both home and work. Technology evolution now introduces a new generation of user interface technologies and internet-based collaboration platforms that can offer a highly individualized user experience. This is called the “You Experience”. User interactions with SRM solutions will be more and more facilitated through these types of user interfaces, like a role-based portal or a mash-up application. Users can connect freely to both the inside (organizational) and outside world to act, interact, collaborate, create, learn and share knowledge. Relevant examples for SRM are SAP’s Business Browser “Muse”, Adobe Flex for Rich Internet Applications (RIA) and Google Earth. Combined with a user-centric approach, this type of technology can improve the over-all user pro-

Fig. 4: New generation of user interface technologies and internet-based collaboration platforms



ductivity and therefore improve an over-all SRM transformation.

Begin with the End in Mind

To summarize, always start with the end of a SRM transformation in mind; by involving end-users at the right time in the right way. This will result in:

- **An efficient project**
Faster software development process, user interface requirements taken into account in a package selection, reduced risk on change requests, optimal investment in training, communication and support and users with a positive mind about the transformation and how it will impact their daily work.
- **An effective result**
Optimal user acceptance of the system, optimal user productivity, increased quality of SRM processes and data.

The Impact of a Solid System Strategy

Introduction

A professional procurement infrastructure is a critical enabler in getting grip on an organization's spend. However CPOs, Supply Chain Managers and CFOs often face the challenge of various running applications in a non-integrated systems landscape. Different elements of the landscape have been implemented to support sourcing, supplier management, contract management, ordering and payment. These elements are generally not integrated to support the entire procurement function and thereby create the need for multiple handovers and custom-made interfaces. We often find category specific solutions and/or various systems with the same functionality, adopted within different parts of the organization resulting in various data sources, multiple administrations and increased efforts to get a clear view of the overall spend results. Not the optimal scenarios for the CPO and CFO in their objective to get as much spend as possible under control and taking their procurement function to a higher level.

What's happening in the SRM market

The market for Procurement Systems (SRM) continues to grow as more organizations seek to achieve higher spend under management, spend compliance and deliver a higher reduction in maverick spend than average organizations. As a result, eProcurement (Purchase to Pay) is seeing an increased implementation activity as the functionality and maturity of the tooling improves. Organizations are beginning to see eProcurement as a 'must have' in order to increase on spend management and visibility.

eSourcing has been embraced by most procurement functions as a way of standardising and automating sourcing processes. Contract and Supplier Management tooling is sometimes embedded in eSourcing applications (as separate modules) or implemented as point solutions. Functionality improvements focus on proactive processes and clause management including supplier enablement, self service and supplier portals based around a robust supplier segmentation process. More mature procurement organisations are focusing on procurement intelligence/analytics.

Procurement System Strategy, why?

Most companies deal with a diversified and non-integrated procurement systems landscape and are therefore unable to benefit fully from their procurement systems. They struggle with all kind of questions. Do we only use externally hosted systems (ASP) or do we maintain the systems internally; or a combination of both? Do we want systems which are from the same supplier and are integrated with each other or do we want all kinds of best-of-breed solutions? And where do we want to have interfaces in between? What kind of functionality are we looking for and what kind of procurement systems are there in the market? What are other organizations doing with their procurement systems?

So, why do you need a procurement systems strategy? First of all, a Procurement Systems Strategy gives you an overview of your current procurement IT landscape and the maturity of this landscape, to define a baseline from which the strategy is set out. Secondly, in cooperation with

several key stakeholders, a shared vision and ambition can be defined which acts as the preferred to be situation, to which the landscape and maturity should grow in the coming years. Finally, this strategy consists of a development path for the coming years. This overall plan sets out the different development themes and activities that need to be completed in order to arrive at the desired state. The Procurement Systems Strategy should be an integral part of your Procurement Strategy. Without this integration, you will not be able to reap the benefits promised by the procurement systems and providers.

Relation to the Procurement Transformation Pyramid

A common pitfall in developing a procurement systems strategy is that it is developed as a stand-alone strategy. The strategy should be aligned with the overall procurement strategy and other parts of the procurement policy. To put the procurement strategy in the right context, Capgemini has developed the Procurement Transformation Pyramid (Fig. 1). In this framework, the entire procurement strategy is described from a strategic level down to the operational level. Within this framework there is a clear distinction between the different aspects of a procurement strategy and the procurement systems strategy. The procurement systems strategy resides in one of the key enablers for the procurement function - IT systems. When developing a procurement systems strategy it is essential to relate it to the overall ambitions, goals and plans of the procurement strategy. There is also a non-deniable relationship between the different procurement processes, knowledge and informa-

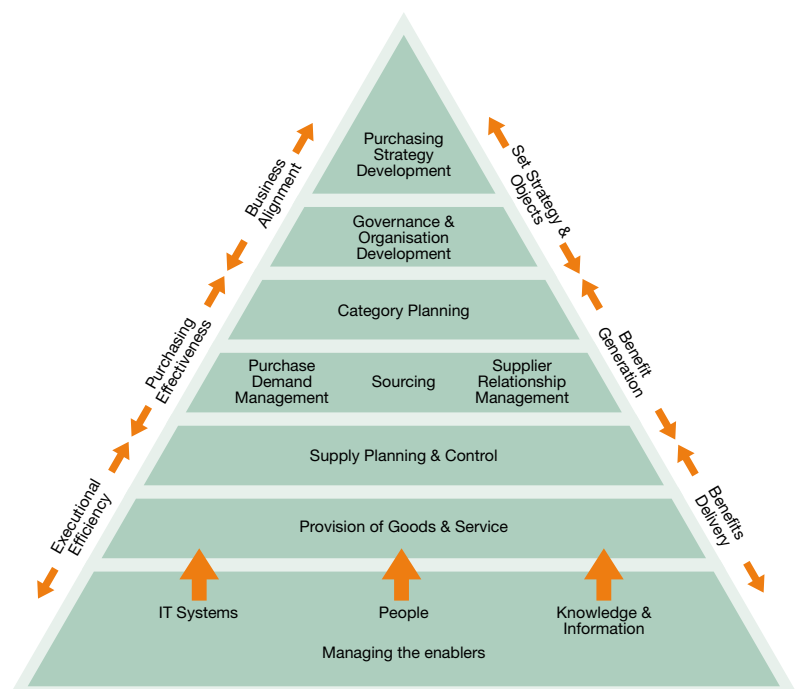
tion, people and technology. These four aspects constantly influence each other and can and should not be changed or analyzed individually. In other words, a procurement systems strategy should always be developed in close relationship with other existing plans and strategies in the procurement function.

Developing a procurement systems strategy

The development of the procurement systems strategy consists of three steps. The first step is to determine the current procurement IT landscape and the needs for functionality of the organization. Often a procurement process map is used to show where

current procurement systems support the procurement processes and a maturity map is used to measure the current maturity of the procurement systems in relation to the procurement processes. Based on these findings, a clear picture can be presented on the current procurement IT landscape, which will form the basic input to define improvement areas. These improvement areas are further analysed through focus interviews with several stakeholders within the organization. This analysis focuses on what the current issues are within those areas. These issues can be, among other, about functionality, user-friendliness and integration.

Fig. 1: Procurement Transformation Pyramid



The second step is the creation of a shared vision on procurement systems, based on the procurement strategy and corporate strategy. This procurement system vision often includes topics like automation, standardization and simplification of the P2P process across the procurement domains, improve master data management, improve spend reporting & management information, focus on value added tasks and increase supplier & contract compliance. Part of this step is the gap analysis which is based on the current state and the desired state. This gap analysis defines which themes of the procurement systems vision should be analysed and improved.

In the third step, the recognized themes in the shared vision should be analysed, actions should be defined and an overall planning should be created. Making the desired state for each theme more explicit and defining how this desired state can be achieved in terms of actions are the main activities during this step. After defining the required actions for each theme, the overall planning can be created in which relationships and dependencies between actions of different themes need to be taken into account.

For the execution of the newly defined procurement systems strategy, organizations are advised to setup a project organization. This project organization should have the authorization and responsibility to execute the actions according to plan. Without a proper project organization in place, organizations risk a lack of control for the execution of the project. This can result in a poor final result.

Stakeholders

Often, organizations have all kind of category specific solutions in place, especially in decentralized procurement organizations. This often results in a high number of different stakeholders throughout the organization, with all different needs and interests. In order to create a shared and agreed procurement systems strategy, it is required to identify and involve all of these stakeholders in the creation process. Exclusion of key stakeholders in the creation process can result in a procurement systems strategy which is not shared and agreed upon by the stakeholders. Such a strategy will never bring the benefits that a shared and committed strategy can bring.

Our experiences

Most organizations struggle with the organizational part of defining and executing their procurement IT strategy. Due to its cross functional process nature and large numbers of stakeholders and users, the main challenge with implementing eProcurement still lies in the change management process. Overall, we experience that the development and execution of a procurement systems strategy is a journey which organizations have to go through in order to reap the benefits of their procurement systems landscape.



Spend Intelligence is still a growing functionality. Many vendors have improved this functionality tremendously over recent years.



Managing your supply base with SRM

Managing your supply base not only involves managing current suppliers, but also attracting new suppliers and improving supplier performance. A Supplier Relationship Management (SRM) solution could help your organization by giving better information of your supply base. It can also help with supplier performance measurement, strategic sourcing and managing your supplier contracts. But what are the most important requirements for a successful implementation of a SRM solution for your Supply Base Management (SBM)?

What does Capgemini mean by Supply Base Management?

Capgemini’s model of Supply Base Management (Figure 1) has three focus areas, namely, Supplier

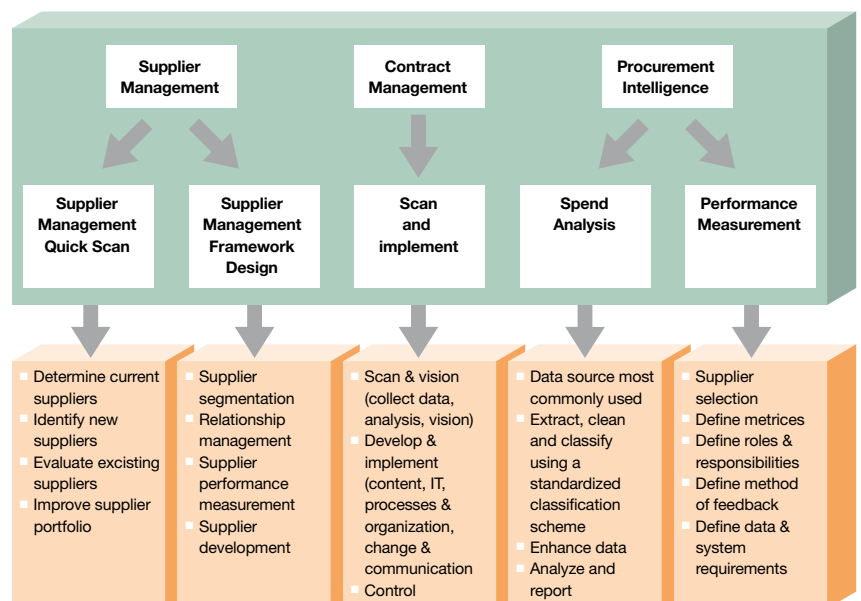
Management, Contract Management and Procurement Intelligence. All three areas will be explained in further details and for each one, the advantages of an SRM solution will be highlighted. Before these advantages can be realized, there are several important basic requirements that need to be taken into account.

How to make your SRM solution successful for SBM?

There are three requirements that must be fulfilled to use your SRM solution in the most optimal way for managing your supply base.

The first question a company needs to ask itself is: Where do we want to use the SRM solution? It is important to ask this question in advance, before

Fig. 1: Capgemini’s Supply Base Management Model



implementing the SRM solution, because then the SRM solution can be adjusted or customized in order to make sure the client's requirements are met. Especially for SBM, one can choose to use the SRM solution for example, for contract management to measure supplier performance or for analyzing spend data. Each choice has impact on the selected SRM solution.

The second basic requirement is data management. How to enter the data in the SRM solution; who will be responsible for the data entry; how to make sure that the data entry is done correctly (data is complete, no missing records, no duplicate records, obsolete and unwanted records are removed, values are standardized and data is consolidated and made consistent from multiple sources) and the data quality is high? In practice, we often see that the data is not properly managed and due to this a company cannot make optimal use of the SRM solution. Roles and responsibilities need to be defined before making use of the SRM solution to make sure the right person enters the right data, updates it frequently and has a high data quality standard.

After the user requirements are defined and the data is properly managed, users need to be trained so that they can make optimal use of the SRM solution for managing their supply base. For example, users need to know what reports can be retrieved, what performance measures are included and when contracts expire.

If these basic requirements are not fulfilled, companies cannot make optimal use of the advantages of the SRM solution for their SBM. So it is impor-

tant to know where the SRM solution will be used, how the data will be managed and that the users are trained. For each SBM area the advantages of the SRM solution will be given.

The impact of SRM solution on Supplier Management

Managing suppliers requires an integrated approach. SRM solution can help to improve this integration, because it gives details of your current supply base, how to evaluate this, how to identify new suppliers and how to improve the supplier portfolio. This will help a company to reduce risk and makes sure it has and attracts the best suppliers.

SRM solution could give a quick overview of the type and number of the current suppliers. If the supply base is too large, a company can decide to limit the number of suppliers. It can also happen that different departments or different subsidiaries, use different suppliers for the same commodity or pay different prices for the exactly the same commodities. If all supplier data of a company is entered in one system, it is easier to recognize the inefficiencies.

Not only the current suppliers but also future suppliers can be evaluated through SRM solution. When attracting new suppliers, a company could ask itself questions like, what type of new supplier is needed compared to the current supply base? What types of commodities are needed? Is there a good balance between strategic and non-strategic suppliers?

SRM solution can also support strategic sourcing. One of the tools that can

be included in SRM solution is eRFx, which is tendering to get the best possible deal with suppliers (best price, most innovative, highest quality, etc.). When negotiations with suppliers are necessary, an eAuction application can be used from the SRM solution.

Managing current suppliers and attracting new ones can be supported by SRM solution, but contracts are needed to formalize these supplier relations. The SRM solution can also help with contract management.

Improve Contract Management by using a SRM solution

Contract management includes initiating actions to improve contract coverage and to prevent maverick buying, it also includes the creation of contracts and their terms and conditions, contract approval, contract registration and keeping track of contracted products, financial obligations, critical dates and agreed targets.

Most of the companies we have seen have a gap between the required number of contracts that should be in a contract management system and the actual number that is entered in the system. Many companies keep their hardcopy contracts in a closet and take them out once a year when supplier negotiations take place or bonuses are to be paid out. The SRM solution could help to improve contract management. One of the advantages of the SRM solution is that contracts are centralized and visible. This way contracts are available for the responsible employees. The SRM solution will also help to standardize the process. This will lead to notification when contracts expire, define roles and responsibilities and more efficient

use of contracts through the entire organization. Another advantage of the SRM solution is contract compliance and tracking as it gives a better insight in contracted spend, it optimizes contract management and shows the best possible deals. An important condition is that users are well trained to enter and update the contracts.

Manage your supply base with data from SRM solution

Procurement data can be used for reports and analysis. This way an interpretation is given to the raw data and it becomes intelligent, also referred to as Procurement Intelligence. There are two types of procurement intelligence that help to manage the supply base: spend intelligence and supplier performance measurement.

Spend intelligence is the collection and analysis of different spend data from throughout the company and is mainly used for purchase leverage and supplier rationalization in strategic sourcing, budgeting and planning and for contract compliance. Supplier performance measurement is a proactive process of setting and monitoring expectations and targets with suppliers as a strategic tool to support the improvement in the performance of the supply base.

The SRM tool can give insight into a company's spend intelligence and supplier performance. Better insight will help to improve managing the supply base. If a supplier is constantly delivering late or delivers poor quality, it will show in the SRM solution. A company can decide to discuss this with the supplier to prevent this behavior in the future. Spend

intelligence will show how much a company has bought from each supplier in a certain period. Especially when a company has several subsidiaries, the SRM solution can give an overall overview. We have seen in practice that a supplier sometimes calculates different prices for identical products sold to different subsidiaries. It also happens that different subsidiaries buy similar products from different suppliers. When making use of the same suppliers, larger amounts will be ordered and suppliers will be more willing to give a discount.

Another advantage of SRM solution is that it could help you retrieve performance data and use it for benchmarking. Benchmarking gives answers to questions like: "Where are your relative to peers in the processes that matter in your business? How do you compare with other companies in your geographic area? To other companies of your size, in your industry or others? To companies running the same ERP solution?" Based on the performance differences, a company will be able to rapidly assess the performance improvement opportunity and define the solution for getting there.

Make optimal use of the advantages for SBM

After the three basic requirements are fulfilled, a company can make optimal use of the SRM solution to manage its supply base. For each SBM area, several advantages of an SRM solution are given. Even though the advantages seem to be easy to realize, it takes some organizational changes to benefit from them. As said before, it is crucial to know before the SRM solution is implemented where users want to use it. Their expectations need to be

well managed to make sure they are not disappointed at the end. If the data is not well managed, the output is useless. Roles and responsibilities need to be defined in detail and everyone involved needs to be informed. Before the SRM solution is completely implemented, the users need to be trained so that they can use it properly. When the SRM solution is in use, new users also need to be trained. If these conditions are met, the SRM solution can help you make optimal use of the advantages for your SBM and can also help you to improve your SBM.

External Resources and Purchase to Pay

The Latest Challenge within P2P

Are you already experiencing the benefits of a proper purchase to pay process for your office supplies and other indirect goods which are being offered to you? But can you imagine that a similar process will offer you even more, when we are talking about organizing your external resources? This is likely to be the most interesting but also the most challenging 'indirect' category within a P2P implementation. For that reason, probably most companies have kept this category out of scope when implementing P2P. However, more and more companies are implementing a standard purchase to pay process for their external resources. Since it is already a challenge for most companies to get their procurement processes and policy in place, you can imagine that the impact of purchase to pay for this commodity is even bigger.

The Client Case

In 2007, an international insurance company discovered that temp labour was the category with one of the largest spend, but also spend that was least predictable. They spend around 80 million Euros on external labour and a considerable part of this was not in the forecast. For the CFO this was reason enough to implement a standard process and a tool from which a sound forecast could be extracted.

The difference between P2P for goods and P2P for services is that like goods, services can be bought for a fixed price, but what is more common is that you agree on hours times rate. These hours administration is an extra dimension for the standard P2P process. It is essential, because if you look at external resources, most of the time you are talking about hour rates and hour-based budget. How many times during a project, have you wondered how much budget your temporary employees have burnt already? These are just a few examples of the need for insight, which a proper P2P process can foresee.

Overall, a P2P decision is taken to achieve more insight, more efficiency and more control, but these three aspects interfere with each other. In case of the insurance company, it is obvious which reason lies behind the P2P decision: insight, insight and insight.

The frustrated Financial Director who was surprised by several millions spent on external labour which he hadn't seen coming, became the sponsor of the project. Besides, the CFO there was the Procurement Director who saw that external 'labour', his biggest spend category, was also the category where maverick buying took place more often within any other spend category in which he was appointed Project Manager. A system module was bought to facilitate the P2P process for external resources. And the project plan, with existing three phases (Analyse - Design - Implement) started with a kick-off with the project team and project sponsors to decide upon scope and policy.

Important decisions that were taken included minimizing customization of the IT system; the requirement is that every temporary employee is recorded in the system and there is only one process which is used throughout the whole organization. These were all important decisions, and during the project this became even more and more evident.

Described below are a few pitfalls and specific temp labour characteristics we have come across:

It is everybody's business

The hiring process took place everywhere in the organization and included all types of labour, from typist to interim manager and from ad hoc security to very expensive specialists. The more money was involved, the higher was the level of decision making in approving the hiring and selection of the appropriate employee. You can imagine that for a project like this, where an extensive process like this is redesigned, you need a lot of commitment and involvement to succeed.

Design the 'ideal' process

Since different business units used different processes for external resources, it took more time to decide with stakeholders upon the To-Be Process. Moreover, the business was not the only stakeholder. Supplier requirements differed as well; for example, a signed timesheet per week which the temp employee has to hand over to get paid or digital time administration. Basic decisions made in the beginning made it impossible to design the process from scratch because an IT tool was already selected and this tool had to be implemented as 'vanilla' as possible. So the To-Be process became a compromise of business requirements and system capabilities. A new central role was put in place, to support the new process and accompanying administration. Advantage of this compromise was that it resulted in a standardized process which could quite easily be designed in the system.

Temp labour is unique

Besides standardization on the process-side, standardization of functions improves the insight in the business needs. Some functions are unique, so there should always be a possibility to put these orders in the P2P system as well. But for more than 80% of the temp labour orders, a generic function can be selected. This was also the case for the insurance company. The functions needed to be attuned with the suppliers so that when they would receive an order for a senior secretary, forexample, they would know what capabilities were being asked for. Sometimes different tariffs can be asked for one function, this leads to a more complex system design. To overcome this situation the insurance company chose to agree on all-in-one tariff.

Fit within existing IT-landscape

Although the IT system was chosen before the P2P project started and preference for 'vanilla' was voted for, a couple of necessary interfaces were overlooked. These interfaces caused customization of the system.

Examples of related business areas are Security (provides entrance), HR and Finance department, existing hour registration system and the authority administration system. This led to more than four interfaces, some of them even two ways.

In the end, this P2P project took more time than what was originally planned for, but to a large extent it solved the problems of unreliable forecasts of costs and maverick buying.

External Resources proves to be a key differentiator; vendors either provide this functionality, or it is completely absent.



SRM Functionality Analysis

For organisations commencing with their Supplier Relation Management initiative, the most difficult thing is to put together a long list of potential suppliers that could satisfy your requirements. This analysis is based on a series of questions designed to address whether the software covers a specific set of functions within the SRM functionality.

Which applications are available in the market and which functionalities do these applications have to offer? Do applications offer all aspects of the procurement function or do they provide the best support for your specific need? This chapter will further elaborate on these questions.

Insights in the vendor market

However, before presenting the results of the functional analysis we will share a few of our insights regarding the vendor market that have occurred over the past year.

Although numerous major vendors have largely divided the SRM market, we still see new players appearing in the market; apparently there is still a need for innovation and renewal. We think this might be explained by the fact that the available applications still cannot fully offer what is asked by the market. Especially the somewhat smaller vendors choose to tailor their applications according to the market requirements. Some of these applications even offer specific modules only. Companies that adopt SRM, choose to abandon the vanilla approach, possibly to increase the chance of acceptance.

Especially, the larger vendors grow through acquisitions. These acquisitions are not primarily focused on

market share but more on functionality. A further integration of Strategic Sourcing, Contract Management, and Operational Procurement will result in a marketplace with a few large SRM vendors that offer full-suite solutions. On the other hand, you will find large number of SRM service partners with in-depth knowledge of specific areas in SRM.

The following acquisitions have taken place in the SRM space over the past two years:

- Oracle acquired Hyperion, JDA and Peoplesoft
- SAP acquired Business Objects and Frictionless Commerce
- Ariba acquired Procuri
- IBM acquired Cognos
- IBX acquired Portum
- Click Commerce Acquired Requisite Technology, Inc.

Finally, we experience a rise of process focused solutions. We see vendors have started to offer process focused solutions which were not available a few years ago. This year's survey showed almost half of the vendors offering a External Resource module.

Setup of the SRM Survey

The functionality analysis is based on a list of 376 closed questions, covering all areas of the procurement process. These questions represent the "most asked-for" and the "most-critical functionalities", as we recognise them in interactions with our clients. Vendors had the opportunity to indicate whether the requested functionality is available or not.

Specific details on the participating vendors can be found in the Appendix.

Good or bad?

When interpreting the data, it is important to remember that this analysis is based on a series of questions designed to address whether the software covers a specific set of functions. We stress that it is important that all the questions have been scored without weighing. This means that a high or low score does not indicate whether an application is good or bad; it merely states the coverage of the SRM functionality within the application. When selecting or evaluating an application, it is important to determine which functions are critical for your company's procurement processes. Therefore a weighted score addressing your preferred functionalities may result in a different outcome from those shown for this survey. In order to distinguish the functionalities of the applications, it is necessary to understand which functionality supports the procurement processes.

To assess the level of support, we divided the overall SRM process, into seven sub-categories:

- Procurement Intelligence
- Project Management
- Sourcing
 - Electronic Tendering
 - eAuctioning
- Supplier Management
- Contract Management
- Catalogue Management
- Operational Procurement

In each chapter we will indicate to which part of the procurement process the application is relevant as shown in our model below.

Overall Functionality Analysis

As in previous studies, this year's vendor review also shows that the differences between applications are most visible in coverage on functional level. Some applications provide full coverage for all sub-processes, while others

can be considered niche players supporting only a selected functionality. Although the reviewed SRM applications are very capable, there are substantial differences between these applications and of course, each of them will have a different fit within your organisation.

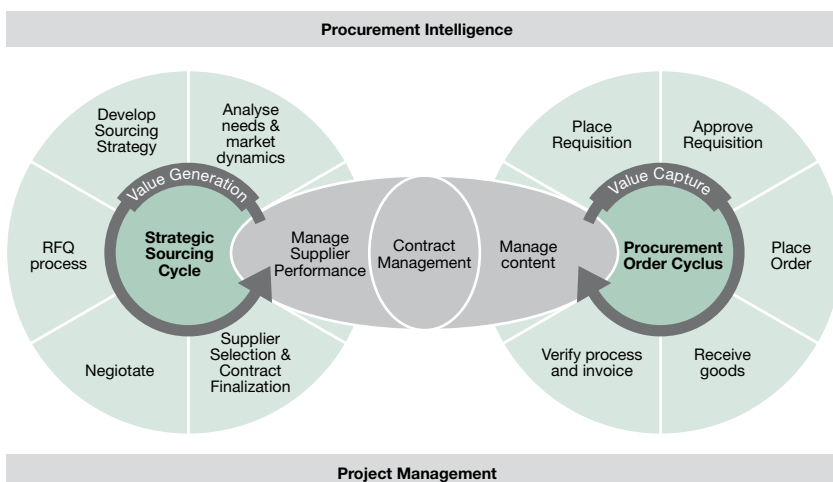
Although it might seem that certain applications have a low overall score, we cannot conclude these applications are of lesser quality. Especially the strategic choice of vendors to either adopt or not adopt, for example eAuctioning, has a major impact on the overall score.

The main overall conclusions from this year's survey

Analyzing the entire survey, we come to these overall conclusions.

- Whereas in the past we spoke about applications that are mainly focused on either the left circle (Sourcing) or the right circle (Operational Procurement), there aren't many vendors any more that can be placed in that segment. An integration of functionalities is taking place.
- In comparison to previous surveys, where we saw that Project Management was a module in which the applications were either provided as a functionality or was completely absent, we now see various vendors that have partially taken this functionality on-board.
- Sourcing is a category which is offered by almost all the vendors. However there is a large variety in maturity of this functionality. Although many vendors support Electronic Tendering and eAuctioning as part of Sourcing, a small group chooses to only offer

Fig. 1: Capgemini Procurement Process Model



Electronic Tendering and therefore do not support eAuctioning.

- There is a wide variety in functionality within Contract Management. Although Contract Management in the past was mainly supported by vendors that support Sourcing, we see an upcoming trend with vendors that primarily support Operational Procurement also adopting Contract Management.
- Supplier Management is still an unclaimed functionality. Some vendors have invested largely in Supplier Management but others are still on a very basic level. Depending on the commodity strategy you apply, the maturity of the application could be of importance.
- Although Catalogue Management is in fact a consequence of Operational Procurement, it is interesting to see that certain vendors have a higher score on Catalogue Management than on Operational Procurement. Possibly because Operational Procurement has already been supported by various ERP systems for many years.

- Where we could categorize the results of Operational Procurement in three areas in the past (no functionality, limited functionality, or full functionality), we now see there is a complete split between no functionality and full functionality. There is no in between.
- Spend Intelligence is still a growing functionality. Many vendors have improved this functionality over the past years tremendously. The demand for spend intelligence has increased, procurement has matured, senior management within organizations show a higher interest in procurement and need better and more accurate information to make strategic decisions.

Analysis per category

When selecting a tool, you might have certain requirements that are more valuable than others. If you are looking for a full suite application, the overall functionality scores can be sufficient for your selection. However, if you are looking for a particular functionality or set of functionality, a more

in-depth review of the results is required.

The in-depth application review is structured according to the seven sub-categories listed earlier. These sub-categories are additionally divided into a number of functional categories as shown in Table 1.

We do not show the answers to every question in this report; rather, we provide the outcome of the analysis per group of functionalities.

Throughout the report the same setup is applied per sub-category. First, we start with every sub-category explaining what is meant with this specific category. Second, you will find the conclusions we have drawn for this category, followed by the total scores per vendor, presented in a table. This table shows the scores of each application's functionality within the category.

Table 1: Additional Functional Categories

Procurement Intelligence	Project Management	Sourcing	Supplier Management	Contract Management	Catalogue Management	Operational Procurement
General Spend Analysis Process Analysis KPI definition	Project Management	General Strategy development Demand aggregation Electronic tendering eAuctioning Negotiation and contract signing	General Database Evaluation	General Alert generation Communication Creation Registration	General Content acquisition & validation Catalogue creation Catalogue maintenance Catalogue usage	General Requisitioning Request for quotation Approval Purchase Order Generation Goods/Services Receipt Invoice Receipt

Fig. 2: Procurement Intelligence

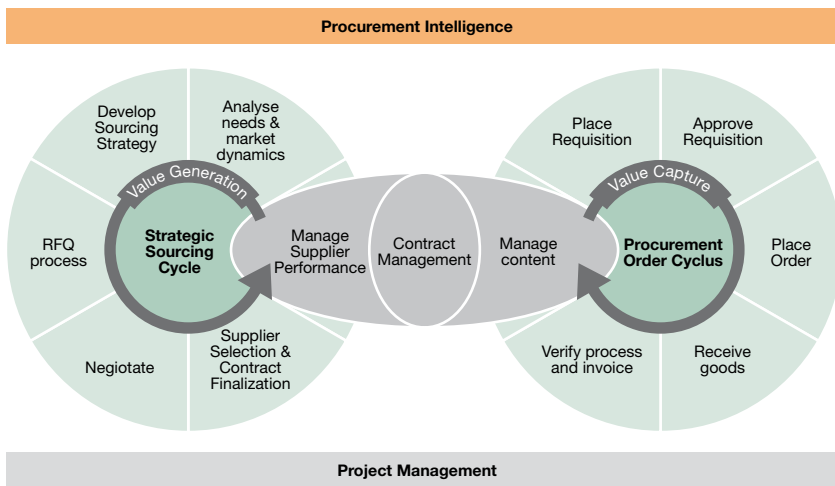


Table 2: Procurement Intelligence

Sub-category: SRM- Procurement Intelligence	General	Spend Analysis	Process Analysis	KPI definition	Subtotal Procurement Intelligence
Maximum possible score	100%	100%	100%	100%	100%
Number of questions	12	7	2	7	28
ESIZE	100%	100%	100%	100%	100%
Fieldglass	92%	100%	100%	100%	98%
Oracle	92%	100%	100%	100%	98%
SAP	92%	100%	100%	100%	98%
Syner Trade	92%	100%	100%	100%	98%
IBX	83%	100%	100%	100%	96%
TBlox	83%	100%	100%	100%	96%
Eeebid	92%	86%	100%	86%	91%
ProActis	92%	100%	100%	71%	91%
Proquro	92%	100%	100%	57%	87%
Upside Software	75%	100%	100%	57%	83%
Basware	92%	100%	50%	86%	82%
Quadrem	42%	100%	50%	100%	73%
Inconto	58%	86%	50%	43%	59%

Procurement Intelligence

What is Procurement Intelligence?

Procurement Intelligence is the process of collecting, cleansing, structuring, and drawing insight from market analysis through process measurements (both Sourcing and eProcurement), spend data, supplier performance, and knowledge management applications. The knowledge gained from Procurement Intelligence aims to simplify decision making, making this sub-process a critical part of both the strategic sourcing process and procurement governance.

Procurement Intelligence is the key in assessing and ensuring compliance, as well as in tracking benefits from operational improvements and implementation of sourcing strategies. Procurement Intelligence software typically supports data collection, data processing & validation, Key Performance Indicator (KPI) calculation, and report generation.

Being able to clearly communicate findings is critical to achieve staff and management buy-in. The functionality to graphically represent findings is therefore of high importance in this type of application.

The functionalities we have looked at within Procurement Intelligence

Procurement Intelligence is divided into the following sub-functionalities:

- Spend analysis
- Process analysis
- KPI definition

The things we see within Procurement Intelligence

- Out of the companies surveyed only four companies do not offer a Procurement Intelligence functionality.
- Procurement Intelligence is still very much associated with Spend Analysis and Process Analysis. However, KPI Definition is also upcoming and scores high this year within Procurement Intelligence.
- Although you would expect to see a link between Procurement Intelligence and Operational Procurement, several vendors offering Operational Procurement do not offer Procurement Intelligence and vice versa. Procurement Intelligence can cover both Sourcing and Operational Procurement.



Project Management

What is Project Management?

Project Management is the discipline of defining and achieving targets while optimising (or just allocating) the use

of resources (time, money, people, materials, energy, space, etc.) over the course of a project. The place of Project Management within the complete procurement process is illustrated in

Figure 3. Within your sourcing activities, Project Management helps to institutionalize the sourcing processes, so that savings are gained and knowledge is captured for future re-use.

Project Management software supports:

- Creating a project team
- Phasing of a project
- Maintaining a project calendar containing an overview of scheduled and running projects
- Resource planning covering the team members assigned to the project
- Running reports for the scheduled projects

The functionalities we have looked at within Project Management

For the Project Management section of this vendor review, we analyzed the functionality:

- Project Management

The things we see within Project Management

■ Whereas Project Management used to be a key differentiator - vendors either provided this functionality or not - we now see a couple of vendors that partially provide this functionality.

■ Project Management is something you would typically expect to find in Sourcing Processes. Therefore, it is not surprising that the applications that primarily focus on P2P processes do not provide functionality to support Project Management.

■ However, having said this, almost 31% of the vendors that do offer Sourcing, do not have the Project Management functionality. Project Management is not perceived to be a functionality specifically required in a SRM application. It maybe also because there are many other solutions to monitor the progress on your sourcing.

Fig. 3: Project Management

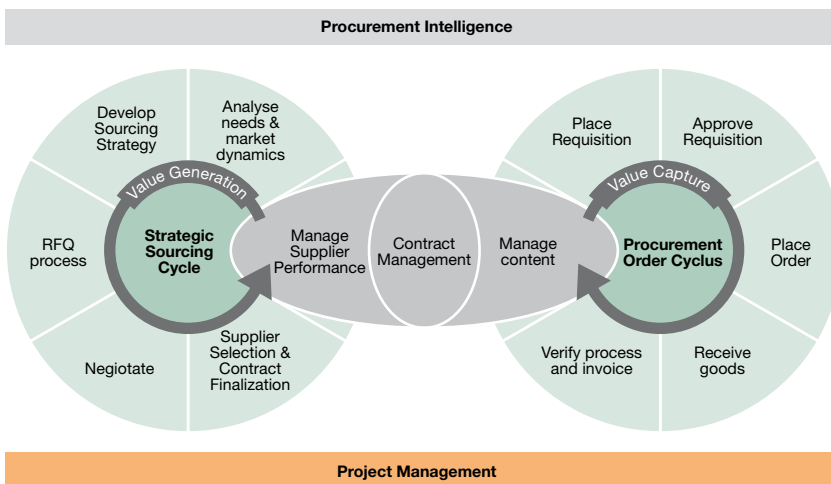


Table 3: Project Management

Sub-category: SRM Project Management	Project Management
Maximum possible score	100%
Number of questions	20
Eeebid	100%
ESIZE	100%
IBX	100%
Oracle	100%
SAP	100%
Syner Trade	100%
ProActis	95%
TBlox	95%
Commerce-hub	90%
Elcom	70%
lasta	60%

Sourcing

What is Sourcing?

Sourcing is the part of the procurement process that continuously improves and re-evaluates the purchasing activities of a company. The sourcing process consists of selecting the appropriate suppliers, tendering, and developing the required supplier relationships on the basis of the defined sourcing strategies. These sourcing strategies are typically developed per product category. The steps within this process are illustrated in Figure 4: Sourcing.

The functionalities we have looked at within Sourcing

Sourcing is divided into the following sub-functionalities:

- Strategy development
- Demand aggregation
- Negotiation and Contract Signing
- Electronic tendering
- eAuctioning

The sub-functionalities Electronic Tendering and eAuctioning are reviewed separately.

The things we see within Sourcing

- Looking at the overall scores in the Sourcing area, we can conclude that almost all applications provide some sort of sourcing functionality. The low scores for some vendors are mainly due to the complete absence of eAuctioning.
- The majority of the vendors see Strategy Development, Demand Aggregation, and Electronic Tendering as core functionalities of Sourcing. As for eAuctioning and Negotiation and Contract Signing the view is divided.
- Especially those vendors that have a high overall score see an added value in the functionality Negotiation and Contract Signing.

Fig. 4: Sourcing

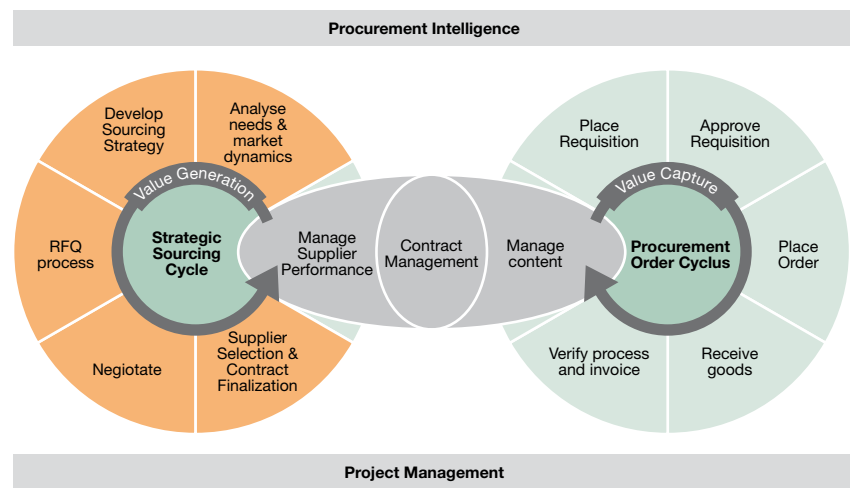


Table 4: Sourcing

Sub-category: SRM Sourcing	General	Strategy Development	Demand aggregation	Electronic Tendering	eAuctioning	Negotiation and contract signing	Subtotal Sourcing
Maximum possible score	100%	100%	100%	100%	100%	100%	100%
Number of questions	3	8	12	36	44	4	107
SAP	100%	100%	100%	100%	96%	100%	99%
Syner Trade	100%	100%	100%	97%	98%	100%	99%
Oracle	100%	100%	92%	100%	100%	100%	99%
Eeebid	100%	88%	100%	98%	97%	100%	97%
IBX	100%	88%	100%	97%	92%	100%	96%
ESIZE	100%	88%	100%	98%	91%	100%	96%
Commerce-hub	100%	88%	100%	98%	82%	100%	95%
Quadrem	100%	88%	100%	93%	86%	100%	94%
Upside Software	100%	63%	100%	87%	72%	100%	87%
Proquro	100%	88%	75%	80%	71%	100%	86%
Elcom	100%	25%	75%	80%	69%	100%	75%
lasta	67%	63%	92%	78%	61%	25%	64%
Perfect Commerce	67%	13%	58%	75%	56%	100%	61%
Fieldglass	100%	100%	75%	82%	0%	0%	59%
TBlox	100%	63%	100%	65%	0%	25%	59%
Basware	67%	75%	92%	88%	0%	0%	54%
ProActis	67%	50%	100%	96%	0%	0%	52%

Electronic Tendering and eAuctioning

Since the functionality within Sourcing typically lies in support for tendering, negotiation, and auctioning, we defined two sub-categories, Electronic Tendering and eAuctioning. We then subdivided these to compare functionality, as illustrated in Figure 5.

Tables 6 and 7 represent the total scores of the application’s functionality within the Electronic Tendering and eAuctioning sub-categories.

Electronic Tendering

What is Electronic Tendering?

The core functionality of strategic sourcing partially lies in support for

Electronic Tendering. To a large extent, this is where the value of strategic sourcing is captured. Electronic Tendering also includes eRFx, which is often a part of tendering exercise. Electronic Tendering can be used by a buyer to request information from potential suppliers for the purpose of evaluation and comparison. The more structured this information is, the easier it is to compare the suppliers.

The functionalities we have looked at within Electronic Tendering

Electronic Tendering is divided into the following sub-functionalities:

- General
- Building
- Sending & Answering
- Aggregate & Analyse
- Scoring
- Distribution of Shortlist

The things we see within Electronic Tendering

- The scores are particularly high for this functional category with almost all applications having scores above 65% indicating that they support Electronic Tendering.
- In the previous surveys, the results for Electronic Tendering varied immensely. This year’s survey shows that vendors either chose to support Electronic Tendering or not. There is no middle course.
- Compared to eAuctioning, Electronic Tendering is perceived by all vendors as a core functionality. Compared with previous surveys, we see a major growth in maturity and adoption by the market. Especially for those companies that work on European Tenders, this functionality is a much in demand functionality.

Fig. 5: Electronic Tendering & eAuctioning

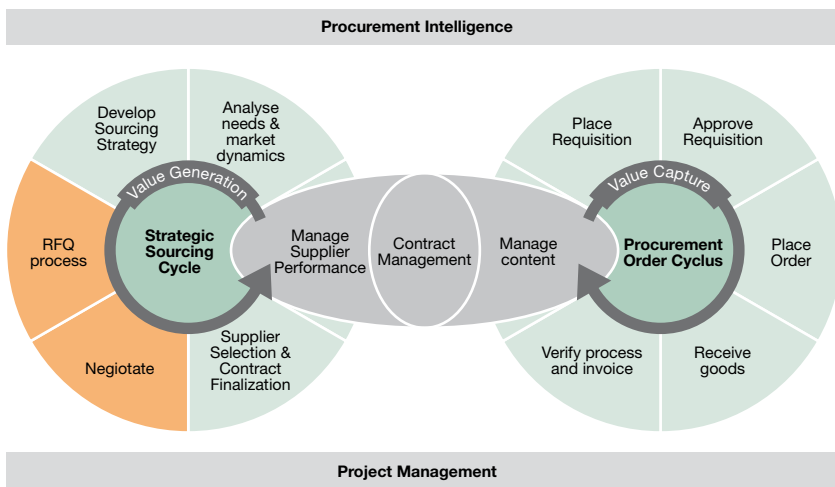


Table 5: Sub-categories Electronic Tendering and eAuctioning

Electronic Tendering	eAuctioning
General	Types
Building	Strategy
Sending & answering	Process
Aggregate & analyse	Bid formats
Scoring	Calculation
Distribution of shortlist	Viewing
	Messaging
	Practice support

eAuctioning

What is eAuctioning?

eAuctioning is a way to select the appropriate suppliers. Depending on the approach, buyers or sellers may specify costs or invite bids. Transactions can be initiated and completed. Ongoing purchases may qualify customers for volume discounts or special offers. eAuctioning software may make it possible to automate some buying and selling.

Participating companies expect to be able to control parts inventories more effectively, reduce purchasing agent overhead, and improve manufacturing cycles.

The functionalities we have looked at within eAuctioning

eAuctioning is divided into the following sub-functionalities:

- Types of auctioning
- Strategy
- Process
- Bid Formats
- Calculation
- Viewing
- Messaging

The things we see within eAuctioning

- More diversity in strategy than with Electronic Tendering. Answers to our survey questions indicate that eAuctioning is something vendors either have in their portfolio, or do not offer at all. There is only a small group that partially supports eAuctioning.
- Whereas for the group that only partially supports eAuctioning, it is interesting to see that the primary focus is on Bid Formats, Calculation, Viewing, and Messaging.
- Full suite vendors score high on eAuctioning.

Table 6: Electronic Tendering

Sub-category: Sourcing Electronic Tendering	General	Building	Sending & Answering	Aggregate & analyse	Scoring	Distribution of shortlist	Subtotal Electronic Tendering
Maximum possible score	100%	100%	100%	100%	100%	100%	100%
Number of questions	5	9	4	8	4	6	36
Oracle	100%	100%	100%	100%	100%	100%	100%
SAP	100%	100%	100%	100%	100%	100%	100%
Eeebid	100%	89%	100%	100%	100%	100%	98%
Commerce-hub	100%	100%	100%	88%	100%	100%	98%
ESIZE	100%	100%	100%	88%	100%	100%	98%
IBX	80%	100%	100%	100%	100%	100%	97%
Syner Trade	80%	100%	100%	100%	100%	100%	97%
ProActis	100%	100%	75%	100%	100%	100%	96%
Quadrem	100%	100%	100%	100%	75%	83%	93%
Basware	80%	100%	100%	75%	75%	100%	86%
Upside Software	100%	89%	75%	100%	100%	83%	87%
Fieldglass	80%	78%	50%	100%	100%	83%	82%
Elcom	40%	70%	75%	88%	100%	100%	80%
Proquro	80%	78%	75%	63%	100%	83%	80%
lasta	20%	67%	100%	100%	100%	83%	78%
Perfect Commerce	40%	67%	75%	88%	100%	83%	75%
TBlox	100%	56%	50%	50%	50%	83%	65%

Table 7: eAuctioning

Sub-category: Sourcing eAuctioning	Types	Strategy	Process	Bid formats	Calculation	Viewing	Messaging	Subtotal eAuctioning
Maximum possible score	100%	100%	100%	100%	100%	100%	100%	100%
Number of questions	7	5	9	5	7	5	6	44
Oracle	100%	100%	100%	100%	100%	100%	100%	100%
SynerTrade	100%	100%	100%	100%	100%	100%	83%	98%
Eeebid	100%	100%	78%	100%	100%	100%	100%	97%
SAP	100%	100%	89%	100%	86%	100%	100%	96%
IBX	100%	100%	100%	80%	100%	100%	67%	92%
ESIZE	86%	80%	100%	100%	86%	100%	83%	91%
Quadrem	71%	40%	89%	100%	100%	100%	100%	86%
Commerce-hub	57%	100%	100%	60%	57%	100%	100%	82%
Upside Software	86%	80%	78%	60%	57%	40%	100%	72%
Proquro	71%	80%	56%	80%	29%	100%	83%	71%
Elcom	43%	20%	89%	80%	86%	100%	67%	69%
lasta	43%	20%	56%	100%	100%	60%	50%	61%
Perfect Commerce	29%	20%	56%	20%	100%	100%	67%	56%

Fig. 6: Supplier Management

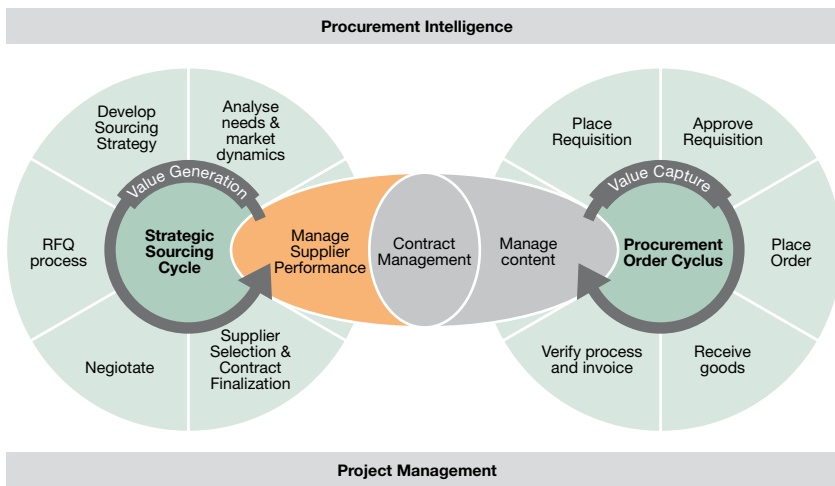


Table 8: Supplier Management

Sub-category: SRM-Supplier Management	General	Evaluation	Database	Subtotal Supplier Management
Maximum possible score	100%	100%	100%	100%
Number of questions	3	19	9	31
SAP	100%	100%	100%	100%
SynerTrade	100%	100%	100%	100%
Eeebid	100%	95%	100%	98%
TBlox	100%	84%	100%	95%
ProActis	100%	79%	100%	93%
Fieldglass	100%	79%	89%	89%
Oracle	67%	100%	100%	89%
Upside Software	67%	100%	100%	89%
ESIZE	67%	95%	100%	87%
Commerce-hub	100%	63%	78%	80%
Perfect Commerce	67%	79%	67%	71%
Basware	67%	32%	56%	51%
Iasta	33%	26%	89%	50%
Proquro	67%	26%	44%	46%

Supplier Management

What is Supplier Management?

Supplier Management includes supplier performance monitoring where agreed performance indicators and scorecards are evaluated and acted upon. Goals and objectives are set and evaluated; improvements are identified and implemented in collaboration with suppliers. Both the hard aspects of the supplier relationship, such as price, quality, delivery, and service, and the soft aspects of this relationship such as visits, surveys, and certifications are managed.

The functionalities we have looked at within Supplier Management

Supplier Management is divided into the following sub-functionalities:

- Evaluation
- Database

The things we see within Supplier Management

- Out of the vendors surveyed, four vendors do not offer Supplier Management functionality at all.
- The group that offers this functionality scores very high. Almost 60% of the vendors have an overall score higher than 70%. When we look at the subcategories, we see that more than 50% of the players have extensive database functionality and elaborate support for supplier evaluation.
- Comparing with our previous surveys, we see a similar variation in results. Vendors can be divided into three groups: fully support Supplier Management, partially support Supplier Management, and no support for Supplier Management.

Contract Management

What is Contract Management?

Contract Management includes the construction of contracts and their terms and conditions, contract registration, and keeping track of contracted products, financial obligations, critical dates, etc. In addition, it also includes monitoring agreed targets and practices specified agreements in the contract. When necessary, the Contract Management software helps initiating actions to either adjust agreed terms and conditions or to remedy contract breaching behaviour.

Contract Management software supports the writing of contracts, giving overviews of current contracts and contracted parties. Contract Management provides insight into the related (financial) obligations, flow of funds, and critical dates, such as contract renegotiation or dates that trigger penalties if they are not met. Contract Management applications support team collaboration, contract construction, document management and contract approvals, budget control, and contract evaluation.

The functionalities we have looked at within Contract Management

Contract Management is divided into the following sub-functionalities:

- Alert Generation
- Communication
- Contract Creation
- Contract Registration

The things we see within Contract Management

- Many vendors have realized Contract Management is going to be one of the most asked for applications in the coming years.

Fig. 7: Contract Management

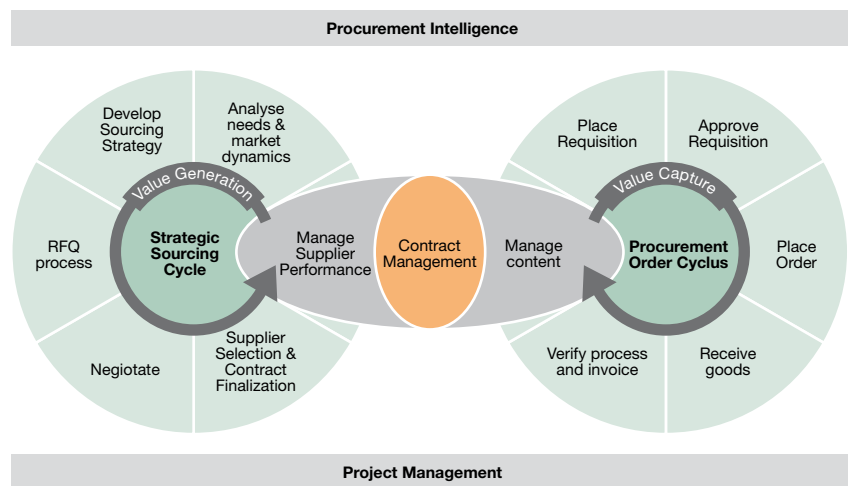


Table 9: Contract Management

Sub-category: SRM-Contract Management	General	Alert Generation	Communication	Creation	Registration	Subtotal Contract Management
Maximum possible score	100%	100%	100%	100%	100%	100%
Number of questions	4	10	2	11	8	35
SAP	100%	100%	100%	100%	100%	100%
Upside Software	100%	100%	100%	100%	100%	100%
ProActis	100%	100%	100%	91%	100%	98%
Proquiro	100%	100%	100%	91%	100%	98%
TBlox	100%	100%	100%	82%	100%	96%
Quadrem	100%	100%	100%	91%	88%	96%
SynerTrade	100%	100%	100%	91%	88%	96%
Oracle	75%	100%	100%	100%	100%	95%
Fieldglass	100%	100%	100%	82%	88%	94%
Basware	75%	100%	100%	91%	100%	93%
ESIZE	100%	70%	100%	91%	100%	92%
Eeebid	100%	90%	100%	91%	75%	91%
Incontio	100%	60%	50%	73%	100%	77%
Perfect Commerce	50%	100%	50%	82%	75%	71%
Commerce-hub	75%	30%	50%	82%	75%	62%
Elcom	75%	10%	100%	64%	25%	55%
lasta	50%	30%	0%	64%	75%	44%

Therefore, vendors have heavily invested in this module, resulting in an amazing high score. More than three quarters of the applications have a score higher than 70%.

- Also the laggards are investing heavily in the development of their functionalities. We therefore expect that within a short term, all applications will have a reasonable install base on Contract Management.
- Although all sub-functionalities of Contract Management score reasonably high, creation of contracts is a sub-functionality that is still open for improvement.



Catalogue Management

What is Catalogue Management?

Catalogues are a method to easily manage content. They contain the preferred goods and services from suppliers that were selected during the strategic sourcing process. All the article information is stored in the catalogue. This makes it possible to select and order items electronically. Catalogues can either be located in the procurement application itself, at the suppliers' side, or at a third party. For companies that have managed to catalogue a majority of spend, there is often a combination of these because different purchase-to-pay channels are applicable depending on category profile, order profile, spend profile, supplier profile, and the business requirements. Static/standard catalogues, form catalogues, and punch-out catalogues are examples of catalogue-based channels. Catalogue Management involves entering article data, validating the data, and generating and maintaining the catalogue content.

Catalogue Management is primarily carried out by the party keeping the catalogue, but different arrangements are possible. An external catalogue can be accessed in several ways. A relatively simple solution is a punch-out or roundtrip, where the user temporarily leaves the procurement application and is typically directed to the supplier's website. After selecting a product, he returns with the article information needed to generate a requisition. This will then pass through the normal internal approval procedure. In some solutions, the external catalogue data can be viewed and handled in the procurement application in the same way as internally stored articles. As the critical success

Fig. 8: Catalogue Management

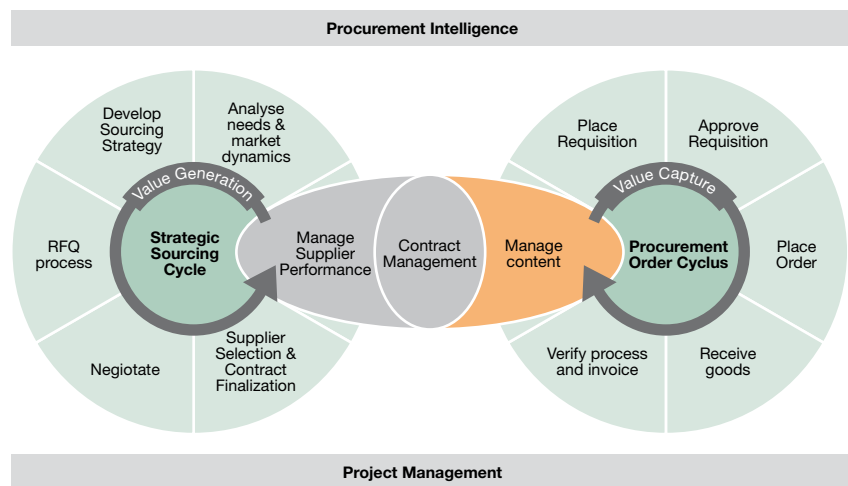


Table 10: Catalogue Management

Sub-category: SRM-Catalogue Management	General	Catalogue Creation	Catalogue maintenance	Catalogue usage	Content acquisition & validation	Subtotal Catalogue Management
Maximum possible score	100%	100%	100%	100%	100%	100%
Number of questions	14	15	4	15	4	52
Oracle	93%	93%	100%	100%	100%	97%
IBX	100%	100%	75%	100%	100%	95%
SynerTrade	100%	93%	75%	100%	100%	94%
ESIZE	79%	100%	100%	87%	100%	93%
Proquo	71%	87%	100%	100%	100%	92%
Eeebid	100%	100%	75%	100%	75%	90%
TBlox	100%	73%	75%	100%	100%	90%
Perfect Commerce	100%	67%	75%	100%	100%	88%
SAP	100%	73%	75%	87%	100%	87%
Elcom	86%	73%	75%	100%	100%	87%
Incontto	100%	53%	100%	80%	100%	87%
Quadram	64%	83%	75%	100%	100%	87%
ProActis	64%	93%	75%	80%	75%	78%
Basware	57%	93%	50%	93%	50%	69%
Upside Software	93%	40%	50%	60%	50%	59%

factor for self service requisitioning is usability and user friendliness, a coherent working environment for employees is of great importance in achieving good compliance with preferred products, suppliers, and contracts.

The functionalities we have looked at within Catalogue Management

Catalogue Management is divided into the following sub-functionalities:

- Catalogue creation
- Catalogue maintenance
- Catalogue usage
- Content acquisition and validation

The things we see within Catalogue Management

- As can be expected, both the full SRM suites as well as the applications focusing on P2P have an extensive functionality in Catalogue Management.
- All sub-categories within Catalogue Management score relatively high, however Catalogue Creation and Catalogue Maintenance leave room for improvement.
- Since the applications are very close to each other with regards to the provided functionality, it is very important to pay particular attention to those functions specifically required by your company when selecting a supporting application. Other aspects such as pricing, benefit potential, usability, vendor services, and package strategy should also be considered while making your selection.



Operational Procurement

What is Operational Procurement?

There are several terms for Operational Procurement; some well-known terms are purchase-to-pay (P2P) and eProcurement. Usually eProcurement refers to an automated solution for Operational Procurement where P2P refers to the process. Therefore, eProcurement is the automated solution for the P2P process.

Operational Procurement is primarily made up of the order process, the supply process, and the payment process. The order process typically contains the following steps:

- Needs capture and requisitioning.
- Approval, normally by the next level manager, a subject matter expert, or by the finance department.
- After approval of the requisition, the order is placed at the supplier. If necessary, the sourcing process can be prior to the order placement if all details are not clear yet (if the article was not in a catalogue).

In the supply process the goods and/or service are received and an assessment of received goods and/or services on quality and quantity is done. If necessary, exceptions will be processed.

Finally, in the payment process the invoice is received and matched against the Purchase order and the received goods. If this is correct, the invoice can be paid.

Some companies have a self-billing process in place. In this situation, the company will make their own invoice based on the Purchase order and the goods received.

Fig. 9: Operational Procurement

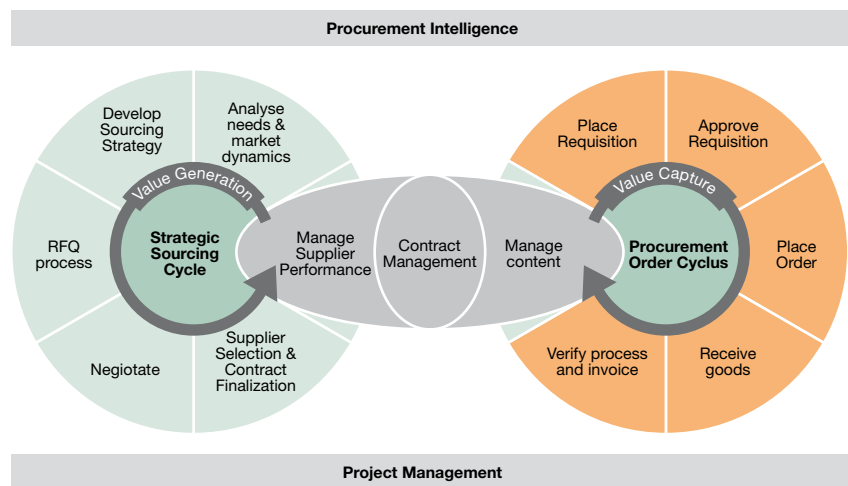


Table 11: Operational Procurement

Sub-category: SRM-Operational Management	General	Requisitioning	Request for quotation	Approval	Purchase Order Generation	Goods/Services Receipt	Invoice Receipt	Subtotal Operational Procurement
Maximum possible score	100%	100%	100%	100%	100%	100%	100%	100%
Number of questions	3	12	2	10	40	13	23	103
SAP	100%	100%	100%	100%	98%	100%	100%	100%
Proquro	100%	100%	100%	90%	100%	100%	100%	99%
ESIZE	100%	100%	100%	80%	100%	100%	100%	97%
Oracle	100%	100%	100%	100%	65%	100%	74%	91%
Eeebid	100%	100%	100%	90%	83%	85%	78%	91%
Basware	67%	100%	100%	90%	80%	92%	100%	90%
SynerTrade	100%	83%	100%	100%	83%	92%	70%	90%
Quadrem	100%	92%	100%	100%	65%	100%	70%	89%
ProActis	100%	100%	100%	90%	53%	100%	70%	87%
IEX	100%	100%	100%	90%	58%	92%	70%	87%
TBlox	100%	92%	50%	80%	85%	100%	100%	87%
Fieldglass	100%	75%	100%	90%	68%	54%	91%	83%
Incontto	100%	67%	100%	100%	48%	85%	48%	78%
Elcom	100%	100%	0%	100%	25%	77%	61%	66%
Perfect Commerce	100%	92%	0%	70%	43%	46%	39%	56%

Applications for Operational Procurement normally support both product related goods & services (direct) and not product related goods & services (indirect). Examples of the latter are staff, MRO, capital goods, and utilities.

The functionalities we have looked at within Operational Procurement

Operational Procurement is divided into the following sub-functionalities

- Requisitioning
- Request for Quotation
- Approval
- Purchase Order Generation
- Goods/services Receipt
- Invoice Receipt

The things we see within Operational Procurement

- In line with our observations in the Catalogue Management area, we found that this category proved to be very mature. Most of the players offering Operational Procurement module offer high functionality (>78%).
- Although overall the functionality is high, it appears that the sub-functionalities Purchase Order Generation, Goods Receipt, and Invoice Receipt can be improved.
- Four vendors do not provide the Operational Procurement at all. Three of these are the same vendors within Catalogue Management.

Especially for those companies that work on European tenders Electronic Tendering is a functionality very much asked for.



External Resources

Why External Resources?

Over the last few years, the use of External Resources by companies has increased significantly. One of the main reasons offered is that companies want to focus on their core business. However, we also see a number of other causes as to why the use of External Resources is increasing and will continue to do so over the coming years.

First of all, a growing shortage in the labor market is forcing companies to look for alternative ways to fill up those vacancies that have started to occur within our aging society. Secondly a more project based approach within organizations requires a more flexible and 'expertise when needed' workforce.

On top of this, we see a growing individualization of the employees in their career path. In The Netherlands, the number of 'Self-employed without staff' is expected to increase from 10% to 25% over the coming years.

With a growing spend and an increasingly scattered supply market, the need for companies to improve insight in this commodity is growing rapidly. Research has shown that improving this process could lead to a saving up to 20%.

As indirect goods have been subject to a certain form of process improvement with SRM over the years, you would expect that, looking at the business case, External Resources have also been looked at. However it's nothing like that. Many large organizations spend a fair amount on External Resources, without actually knowing where they spend it on.

Although certain companies do tend to know how much money they spend per supplier, insight about the quality of the hired person, the course of the tariff or the knowledge whether they can fulfill the vacancy with an internal candidate is often unclear.

You might ask why do companies lack this insight and why haven't they optimized this process yet? There are several reasons, but the most important are; 1) the lack of good supporting applications, 2) the difficulty of the process itself, and 3) the large group of stakeholders involved.

As we anticipate that, especially with the current trends, companies need to get a better insight in their External Resources, supporting applications have a bright future.

We have chosen to separately survey the vendors on this functionality as we believe that the process of External Resources is very different from any other P2P process.

Do note that with a limited number of questions for this topic; we do not claim to offer you a profound research. However, these questions have been designed to separate those applications that do support this process from the ones that don't, providing you a first overview of the supplier market for this particular subject.

What is External Resources Management?

External Resources Management is an approach to manage an organization's External Resources in a way that it reduces the company's cost in the management of external resources, gives a better insight into the quantity and quality of the company's External

Resources and also helps in making better and well-founded decisions. Organizations often lack insight into their obligations with regard to these resources; an External Resources solution can create this insight. This solution will allow an organization to specify its requirements and select the appropriate workers. The solution allows creation of a contract between the organization and workers; ensure that workers are monitored by creating reports such as time and expenses. Some solutions even allows self-billing and evaluation of employees afterwards. The evaluation can help the organization to select the appropriate workers in the future. Thus, the solution helps in mitigating the organization's risk in employing External Resources that did not satisfy before.

The functionalities we have looked at within External Resources

External Resources is divided into the following sub-functionalities:

- Specify and Select
- Contract and Order
- Monitoring
- After Care

The things we see within External Resources

- External Resources proves to be a key differentiator; vendors either provide functionality in this area, or it is completely absent.
- This process is supported by either large vendors that provide this as a part of their full suite solution, but there are also a few niche players that only focus on this specific area and do not support anything other than this process.
- External Resources functionality only appears in applications that offer P2P processes.

Table 12: External Resources

Sub-category: SRM-External Resources	Specify and Select	Contract and Order	Monitoring	After Care	Subtotal External Resources
Maximum possible score	100%	100%	100%	100%	100%
Number of questions	9	4	1	3	17
ESIZE	100%	100%	100%	100%	100%
Fieldglass	100%	100%	100%	100%	100%
Proquro	89%	100%	100%	100%	97%
Oracle	89%	100%	100%	100%	97%
TBlox	89%	75%	100%	100%	91%
SynerTrade	78%	50%	100%	100%	82%
SAP	56%	100%	100%	67%	81%

Appendix

Getronics PinkRocade	www.getronicspinkroccade.nl/www.proquro.nl
Application	Proquro
First Version operational since	1999
Total number of implementations worldwide (incl. Europe)	>100
Is there a Demo version available?	Yes
Country with highest number of finished implementations	The Netherlands
Employees working on developing the product	10
Software is available in	Dutch, English, German, French
Emeritor	www.emeritor.com
Application	Inconto
First Version operational since	Jan 2005
Total number of implementations worldwide (incl. Europe)	15
Is there a Demo version available?	No
Country with highest number of finished implementations	The Netherlands
Employees working on developing the product	5
Software is available in	Dutch, English
TBlox	www.tblox.com
Application	TBlox
First Version operational since	2004
Total number of implementations worldwide (incl. Europe)	1000
Is there a Demo version available?	Yes
Country with highest number of finished implementations	The Netherlands
Employees working on developing the product	28
Software is available in	Dutch, English, German, French, Spanish

ESIZE Netherlands B.V.		www.esize.com
Application	ESIZE	
First Version operational since	Jan 2000	
Total number of implementations worldwide (incl. Europe)	50	
Is there a Demo version available?	Yes	
Country with highest number of finished implementations	The Netherlands	
Employees working on developing the product	400: 50 FTE combined with the R&D activities in ESIZE India and ESIZE NL, 350 FTE on ESIZE platform; Intershop Enfinity in Germany	
Software is available in	Dutch, English, German, French, Spanish, Greek, Russian, Czech, Polish, Japanese, Chinese	
Eebid.com Inc.		www.eebid.com
Application	Eebid	
First Version operational since	March 2008	
Total number of implementations worldwide (incl. Europe)	207	
Is there a Demo version available?	Yes	
Country with highest number of finished implementations	Hungary	
Employees working on developing the product	7	
Software is available in	Dutch, English, German, French, Spanish, Greek, Russian, Czech, Polish, Japanese, Chinese	
Elcom International, Inc		www.elcom.com
Application	Elcom	
First Version operational since	1998	
Total number of implementations worldwide (incl. Europe)	90	
Is there a Demo version available?	Information not provided	
Country with highest number of finished implementations	United Kingdom	
Employees working on developing the product	20	
Software is available in	English	

Oracle Corporation	www.oracle.com
Application	Oracle
First Version operational since	1989
Total number of implementations worldwide (incl. Europe)	Information not provided
Is there a Demo version available?	Yes
Country with highest number of finished implementations	Information not provided
Employees working on developing the product	18000
Software is available in	Dutch, English, German, French, Spanish, Greek, Russian, Czech, Polish, Japanese, Chinese
Perfect Commerce	www.perfect.com
Application	Perfect Commerce
First Version operational since	1999
Total number of implementations worldwide (incl. Europe)	250
Is there a Demo version available?	Information not provided
Country with highest number of finished implementations	USA
Employees working on developing the product	60
Software is available in	Dutch, English, German, French, Spanish
Fieldglass	www.fieldglass.com
Application	Fieldglass
First Version operational since	1999
Total number of implementations worldwide (incl. Europe)	100
Is there a Demo version available?	Yes
Country with highest number of finished implementations	USA
Employees working on developing the product	50 1/3 of the workforce.
Software is available in	Dutch, English, German, French, Spanish, Japanese, Chinese

Quadrem	www.quadrem.com
Application	Quadrem
First Version operational since	2001
Total number of implementations worldwide (incl. Europe)	1200
Is there a Demo version available?	Yes
Country with highest number of finished implementations	Information not provided
Employees working on developing the product	60
Software is available in	Dutch, English, German, French, Spanish, Russian, Czech, Polish, Chinese

lasta	www.iasta.com
Application	lasta
First Version operational since	2000
Total number of implementations worldwide (incl. Europe)	120
Is there a Demo version available?	Information not provided
Country with highest number of finished implementations	USA
Employees working on developing the product	7
Software is available in	English, French, Spanish

IBX Group AB	www.ibxeurope.com
Application	IBX
First Version operational since	2001
Total number of implementations worldwide (incl. Europe)	95
Is there a Demo version available?	Yes
Country with highest number of finished implementations	Information not provided
Employees working on developing the product	81
Software is available in	Dutch, English, German, French, Spanish, Greek, Russian, Japanese, Chinese

Basware BV	www.basware.com
Application	Basware
First Version operational since	2003
Total number of implementations worldwide (incl. Europe)	150
Is there a Demo version available?	Information not provided
Country with highest number of finished implementations	Finland
Employees working on developing the product	160
Software is available in	Dutch, English, German, French, Spanish, Russian, Czech, Polish, Japanese, Chinese
Upside Software	www.upsidesoft.com
Application	Upside Software
First Version operational since	Jan 2001
Total number of implementations worldwide (incl. Europe)	250
Is there a Demo version available?	Information not provided
Country with highest number of finished implementations	Information not provided
Employees working on developing the product	75
Software is available in	English
BlackPeacock Procurement Solutions	www.bpps.nl
Application	ProActis
First Version operational since	1998
Total number of implementations worldwide (incl. Europe)	300
Is there a Demo version available?	Yes
Country with highest number of finished implementations	UK
Employees working on developing the product	30
Software is available in	Dutch, English, German, French, Russian

Commerce-hub	www.commerce-hub.com
Application	Commerce-hub
First Version operational since	2000
Total number of implementations worldwide (incl. Europe)	55
Is there a Demo version available?	Information not provided
Country with highest number of finished implementations	The Netherlands
Employees working on developing the product	3
Software is available in	Dutch, English, German, French, Spanish
SynerTrade SA	www.synertrade.com
Application	SynerTrade
First Version operational since	March 2000
Total number of implementations worldwide (incl. Europe)	176
Is there a Demo version available?	Yes
Country with highest number of finished implementations	Germany
Employees working on developing the product	35
Software is available in	Dutch, English, German, French, Spanish, Russian, Czech, Polish, Japanese, Chinese
SAP AG	www.sap.com
Application	SAP
First Version operational since	1998 for most applications in the portfolio, 2007 for Spend Analytic
Total number of implementations worldwide (incl. Europe)	>1500
Is there a Demo version available?	Yes
Country with highest number of finished implementations	USA
Employees working on developing the product	>300
Software is available in	Dutch, English, German, French, Spanish, Greek, Russian, Czech, Polish, Japanese, Chinese

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