

IDC MarketScape: Worldwide Multi-Enterprise Supply Chain Commerce Network 2023 Vendor Assessment

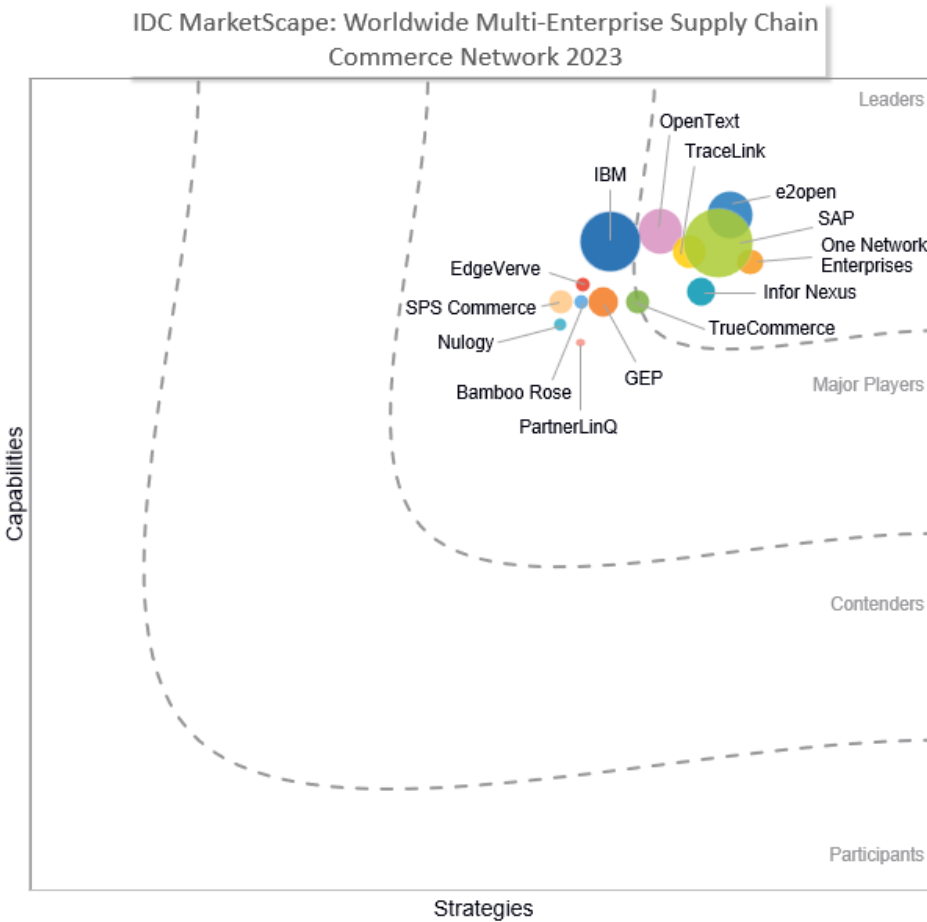
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THIS IDC MARKETSCAPE EXCERPT FEATURES OPENTEXT

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Multi-Enterprise Supply Chain Commerce Network 2023 Vendor Assessment



Source: IDC, 2023

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Multi-Enterprise Supply Chain Commerce Network 2023 Vendor Assessment (Doc # US49948423). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1.

IDC OPINION

This IDC study represents the vendor assessment model called IDC MarketScape. This research is a quantitative and qualitative assessment of the characteristics that explain a vendor's success in the multi-enterprise supply chain commerce network (MESCCN) space and helps assess current and anticipated performance in the marketplace. This 2023 vendor assessment is a refresh of one published in late 2021.

The long-term movement of the supply chain to one that is highly outsourced and distributed has created both opportunity and challenge. Multi-enterprise supply chain commerce networks are just one of those opportunities, and this study assesses the capability and business strategy of 14 vendors with broad competencies in supply chain commerce networks. This evaluation is based on a comprehensive framework and set of parameters expected to be conducive to success in providing organizations with insight into supply chain commerce network tools. Key findings include:

- IDC Manufacturing Insights defines a multi-enterprise supply chain commerce network as any platform that facilitates the exchange of information and enables transactions among disparate parties about the supply chain or supply chain processes. In today's fast-paced, highly analytical supply chain, using networks to facilitate commerce and collaboration can mean the difference between meeting supply chain performance goals and not meeting goals.
- As supply chain networks grow in importance as the "center" of the supply chain operational space and a key component of overall orchestration, so do the connections with both traditional and emerging supply chain management (SCM) applications. Although those SCM applications are not part of this evaluation, the ability to easily and seamlessly integrate with them is an important consideration.
- Each vendor included in this IDC MarketScape offers and has demonstrated competency in multi-enterprise supply chain commerce networks. IDC would not hesitate to recommend any of them in the evaluation process.
- Many multi-enterprise supply chain commerce network variations have different design goals and aspirations. Although the vendors in this study compete, they can also complement each other under certain circumstances.
- The criteria used in this IDC MarketScape (and the resulting position in Figure 1) are across dual dimensions of strategy (plans and where the vendor is headed) and capability (where the vendor is today in terms of capabilities). Each element within strategy and capability is then assigned a weighting based on the relative importance of each criterion in the opinion of IDC Manufacturing Insights and feedback from client references.

- This IDC MarketScape is a starting point for manufacturers considering participating in a multi-enterprise supply chain commerce network. The vendors included represent a "short list" – a way to winnow down the long list of big and small service providers in the marketplace. This document does not replace the due diligence that companies must do to evaluate which vendor fits their specific needs and circumstances.

IDC believes that multi-enterprise supply chain commerce networks are the future of visibility and collaboration for the modern supply chain. Traditional approaches to both have proven to be limited, and "doing the same thing time after time and expecting a different result" is the definition of madness." As supply chains look for ways to be more agile by seeing disruptions further back (earlier) in their supply base and are facing increasingly demanding sustainability requirements (scope 3 particularly), the multi-enterprise supply chain network becomes a "must-have" rather than just a "nice to have."

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

IDC believes that multi-enterprise supply chain commerce networks are critical to the current and future supply chain. Any company that runs a supply chain, whether manufacturer, retailer, or wholesaler, can benefit from a competent network's capabilities. As ecosystems become a more important part of and a contributor to shared knowledge and integrated operations, the multi-enterprise networks that form part of the underpinnings of those ecosystems also grow in importance.

A multi-enterprise supply chain commerce network can be a single platform or a platform integrated into various supply chain applications. While the evaluation here is of the commerce platform itself as it pertains to the supply chain, the ability to integrate to, or be integrated with, supply chain applications spanning both planning and execution/fulfillment is the way of the future for these networks. Although we did not distinguish networks in our analysis solely by size, the value of any network is a function of the number of participants on the platform. Hence the ability to seamlessly scale is important.

Several vendors are offering multi-enterprise supply chain commerce networks to the market. This IDC MarketScape intends to focus on those notable vendors that focus on broad supply chain capabilities, with the following criteria to guide inclusion:

- Vendors must have a global presence, with engagements in at least two major geographic regions.
- Vendors must have offered multi-enterprise supply chain commerce tools for at least three years.
- Vendors must have at least 10 referenceable client engagements.

Each of the 14 vendors included in this document meets these requirements. However, some vendors run networks that focus on a particular functional area within the supply chain, manage a particular enterprise task, or even support a specific industry.

ADVICE FOR TECHNOLOGY BUYERS

The global COVID-19 pandemic has accelerated the company's desire to be more resilient, with recent IDC surveys suggesting that multisourcing is high on the list of strategies to accomplish that goal. On the heels of every major disruption, talk of near-shoring resurfaces. Whether we see the movement of manufacturing locations or just final assembly remains to be seen, but there is no question that the

networks that enable collaboration, visibility, and seamless trade are becoming an increasingly important tool.

The outsourcing opportunity, of course, is well known and long established, and it has been either to allocate activities to external parties for whom the said activity is core competency or as labor arbitrage. While we might argue that the latter is less "plentiful" than in the past, with freight and transportation "footprints" a greater area of concern given energy costs and sustainability goals, the focus on outsourcing partners with core competencies in key areas of the supply chain remains an important component of the supply chain today and will continue to be so in the future. The challenge of an outsourced supply chain is that the ability to collaborate/communicate in real time with acceptable levels of visibility both upstream and downstream has become increasingly challenging.

For manufacturers, retailers, or wholesalers looking to participate in multi-enterprise supply chain commerce networks – either for the first time or as a complement to existing network participation – IDC offers the following guidance:

- Take your time in evaluating vendors. The decision to engage should be backed up with due diligence to ensure that the vendor selected has the appropriate experience levels in your area of need.
- Be clear about the need. Is it about supporting ecommerce, enabling greater visibility, meeting sustainability reporting requirements, or managing collaboration/transactions with upstream suppliers or downstream customers? What are you looking to gain from network participation, and do certain vendors support necessary focus more than others?
- Look for vendors with experience in your market segment and the established network scale you require. Are the trading partners you need there already?
- Ensure that part of the evaluation considers your current set of supply chain applications. The evaluation should consider how the network will integrate with those applications or whether it is possible/appealing to use the network as a complete/partial replacement of those tools.
- Ensure that the vendors you consider have the necessary functionality and the future capabilities you will likely need.

The usefulness of a supply chain network is a balance between what companies need today and what they expect to need in the future. In some ways, the more interesting discussion is about the longer-term supply chain and where/how new technologies and consumer expectations will dramatically affect how supply chains operate. As you engage with a network vendor, ensure that the vendor is at least thinking about what tomorrow may look like.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

OpenText

OpenText is positioned as a Leader in this 2023 IDC MarketScape for the worldwide multi-enterprise supply chain commerce network market.

OpenText is a global software vendor providing information management applications, and its business network division covers a broad range of industry markets, including CPG, high tech, automotive/heavy equipment, and retail. The company was founded in 1991, and in 2014, it acquired GXS, a notable business network company. OpenText is headquartered in Waterloo, Ontario, Canada.

OpenText's MSCCN offering is built on a unified integration platform, Trading Grid. It includes the core integration platform capabilities around data exchange, process orchestration, and user-facing features for viewing and managing the data exchanged across their partner networks. In addition, they offer several add-on modules (Active Apps, IoT, IAM, and analytics) that leverage the data exchanged through Trading Grid to bring additional capabilities for the users to gain insights on and manage their supply chain processes. Notable components of the solution offering include:

- **Trading Grid:** A unified integration platform for any-to-any integration, including highly flexible process orchestration leveraging traditional message and file-based integrations and/or modern API-driven connectivity across a broad range of communication protocols and data formats. In addition to the integration platform capabilities, Trading Grid includes a set of user productivity and visibility tools, including Trading Grid Online portal for single sign-on to all OpenText MSCCN tools and modules, Service-Level Management for platform uptime and contractual SLA reporting, Community Projects for integration project management and tracking, Cartographer for managing integration maps and cross-reference tables, and Lens for extensive transaction life-cycle visibility, reporting, and event (or nonevent) notifications and management.
- **Active Orders:** This enables customers to digitize the procure-to-pay process with all trading partners, including portal functionality for non-EDI-capable partners. It helps manage orders, invoices, and inbound shipments, provides full end-to-end transaction visibility, including logistics visibility and arrival prediction, provides a mobile app to allow suppliers to accept and respond to orders, and includes supplier and carrier KPIs and reporting.
- **Active Intelligence:** This highly configurable workflow engine introduces business rules, content validation, and cross-document matching for exchanged transactions with the ability to quarantine and/or reject transactions based on predefined criteria.
- **Active Risk Monitor:** This supplier risk management dashboard integrates risk insights from multiple sources and matches them against uniquely identified suppliers that the customer may want to track. It allows users to categorize suppliers into different groups and allows viewing supplier-specific business activity insights for those suppliers that exchange data with the customer using Trading Grid. Data sources currently supported by Active Risk Monitor include sustainability ratings from Ecovadis, financial risk insights and diversity indicators from Dun & Bradstreet, and sanctions information and adverse media attention from Acuris.
- **Active Access:** This is an identity-driven portal that offers secure collaboration across a trading partner community. The portal leverages over 20 years' experience of helping companies work more effectively with their trading partner communities. Active Access helps to simplify the supplier onboarding process and ensures that all users get secure access to supply chain information or applications that they are authorized to use.

OpenText currently has over 1.1 million active users on its network.

Strengths

OpenText key strengths include:

- Strong integration capabilities across different types of technical requirements around connectivity and data formats, including regional and industry variants and standards and digitalization of any supply chain data exchange. This is an advantage, particularly with customers that have global operations and need to support supply chain operations in various countries and regions.
- A high degree of flexibility in solution design and configurable functionality while leveraging reusable components. Owing to the delivery model of combining proprietary technology with managed services, they also include custom elements to deliver the specific functionality customers seek. When out-of-box capabilities are not enough to meet the customer's requirements, they often have a significant advantage over the competition due to this reason.
- Particularly the visibility capabilities of Lens are highly appreciated by business and technical users and are a key differentiator for OpenText regarding the core B2B integration capabilities and user experience.
- Diversity of their extended MSCCN portfolio. OpenText is a large organization with a broad range of information management products, which have been leveraged in developing their solution capabilities. The breadth of tools enables building highly connected and automated capabilities to digitize supply chain processes to support supply chain transformation and expand collaboration with their ecosystem partners. The OpenText portfolio also includes powerful AI and ML capabilities that are being integrated to Trading Grid to provide actionable insights to help optimize supply chain processes and improve business performance.

Challenges

OpenText's biggest challenge is inactivity on the customer side, so instead of implementing their solution or a competitor's solution, the customer may decide to keep doing what they have been doing before with existing tools, and not modernize their capabilities. Several things from organizational politics may impact this inability to communicate clear strategic value in business terms since the switching costs from a legacy solution that still handles the core functionality, like EDI integration, to a more modern solution is often considerable. When the customer does choose another vendor over OpenText, the top reasons are pricing, particularly where customers have relatively straightforward needs that can be met with out-of-box solutions or supply chain application capabilities where customers may want more comprehensive solutions that include extended application capabilities for managing specific supply chain processes, such as different types of supply chain planning.

Consider OpenText When

Manufacturing and retail organizations looking for vendors of cloud-based integration tools offering "Business to Anything" capabilities tools should consider OpenText. The vendor offers a true partnership for their customers and has become an extension of their internal staff and resources to manage their supply chains. This "releases" resources to explore more strategic avenues for customers' business. Companies running SAP broadly across their enterprise should also strongly consider OpenText.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well-aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here, and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies, axis indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each vendor within the specific market segment being assessed.

Each of the fourteen vendors evaluated for this IDC MarketScape has a well-rounded scope of capabilities related to multi-enterprise supply chain commerce networks. All vendors ended up in the Leaders or Major Players segments due to the ability to meet the core requirements of having both broad functional expertise and a significant network customer base. While differences among the competitors remain, IDC Manufacturing Insights would feel comfortable recommending any of these companies.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores and, ultimately, vendor positions on the IDC MarketScape on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

IDC Manufacturing Insights defines a multi-enterprise supply chain commerce network as any platform that facilitates the exchange of information and enables transactions among disparate parties pertaining to the supply chain or to supply chain processes. In today's fast-paced, highly analytical supply chain, using networks to facilitate commerce and collaboration can mean the difference between meeting supply chain performance goals and not meeting goals.

A best-in-class supply chain of the future must be highly collaborative and have broad visibility into supply. The reality is that supply chains rely on suppliers and enablers more today than at any time in the past, and as the definition of "core competency" continues to re-focus, they will rely on these partners even more in the future. Although 1:1 relationships may persist in certain areas (e.g., direct materials procurement), the world is moving to networks and marketplace ecosystems.

LEARN MORE

Related Research

- *IDC FutureScape: Worldwide Manufacturing Supply Chain 2024 Predictions* (IDC #US50873823, October 2023)
- *IDC MaturityScape: Digital Supply Chain Resiliency 1.0* (IDC #US48402418, December 2021)
- *IDC MarketScape: Worldwide Multi-Enterprise Supply Chain Commerce Network 2021 Vendor Assessment* (IDC #US48202217, September 2021)
- *IDC MarketScape: Worldwide Multi-Enterprise Supply Chain Commerce Network 2018 Vendor Assessment* (IDC #US44514117, December 2018)

Synopsis

This IDC study uses the IDC MarketScape model to assess several providers participating in the worldwide multi-enterprise supply chain commerce network market. The IDC MarketScape is an evaluation based on a comprehensive framework and a set of parameters that assesses providers relative to one another and to those factors expected to be most conducive to success in a given market during both the short term and the long term.

"It remains the view of IDC that multi-enterprise supply chain commerce networks are the future of visibility and collaboration for the modern supply chain. Traditional approaches to both have proven to be limited, and 'doing the same thing time after time and expecting a different result' is the definition of 'madness.' As supply chains look for ways to be more agile by seeing disruptions further back (earlier) in their supply base and are facing increasingly demanding sustainability requirements (scope 3 particularly), the multi-enterprise supply chain network becomes a 'must-have' rather than just a 'nice to have,'" says Simon Ellis, Group VP, U.S. Manufacturing Insights and Worldwide Supply Chain Strategies at IDC.

About IDC

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