IDC MarketScape

IDC MarketScape: Worldwide Multi-Enterprise Supply Chain Commerce Network 2021 Vendor Assessment
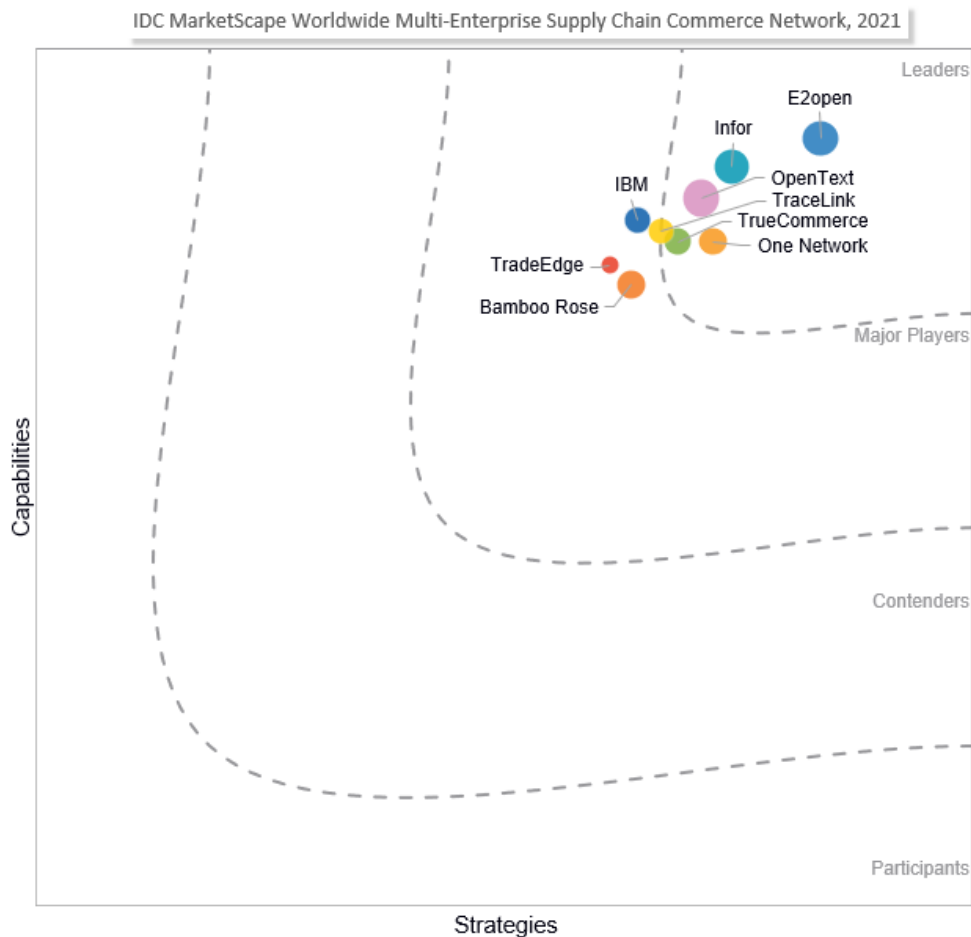
Simon Ellis

THIS IDC MARKETSCAPE EXCERPT FEATURES OPENTEXT

IDC MARKETSCAPE FIGURE

FIGURE 1

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

Source: IDC, 2021

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 2021 Vendor Assessment by Simon Ellis (Doc #US48202217). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Advice for Technology Buyers, 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 2021 vendor assessment is a refresh of one published in late-2018.

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 nine key vendors with broad competencies in supply chain commerce networks. This evaluation is based on a comprehensive framework and set of parameters expected to be most 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/or transactions among disparate parties pertaining to the supply chain or to supply chain processes. In today's fast-paced, highly analytical supply chain, the use of networks to facilitate commerce and collaboration can mean the difference between meeting supply chain performance goals and not meeting goals.

- As the MESCCN grows in importance as the "center" of the supply chain operational space, so too 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 displayed demonstrable competency in the field of multi-enterprise supply chain commerce networks, and IDC would not hesitate to recommend any of them in the evaluation process.

- There are many variations of multi-enterprise supply chain commerce networks, with different design goals and aspirations. Although the vendors in this study do 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 (future plans and where the vendor is headed) and capability (where the vendor is today in terms of capabilities). Each of the elements 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 that are considering participation in a multi-enterprise supply chain commerce network. The vendors included represent a "short list" – a way to winnow down the long list of service providers, both big and small, in the marketplace. This document does not replace the due diligence that companies must then do to evaluate which vendor is the right fit for their particular needs and circumstances.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

In the opinion of IDC, multi-enterprise supply chain commerce networks are a critical element of both the current and future supply chain. Any company that runs a supply chain, whether manufacturer, retailer, wholesaler, or something else, can benefit from the capabilities that a competent network provides. A supply chain commerce network can be a single platform, or it can be a platform integrated to various supply chain applications. While the evaluation here is of the commerce platform as it pertains to the supply chain, the ability to integrate to, or be integrated with, supply chain applications like demand or supply planning seems to be the way of the future for these networks. For the purposes of this IDC MarketScape, and any subsequent research on the topic from IDC Manufacturing Insights, we are defining multi-enterprise supply chain commerce networks as any platform that facilitates the exchange of information and/or transactions among disparate parties pertaining to the supply chain or to supply chain processes. Although we did not necessarily distinguish networks in our analysis by size, clearly the value of any network is a function of the number of participants on the platform, so the ability to seamlessly scale is important.

There are a number of vendors offering multi-enterprise supply chain commerce networks to the market. The intent with this IDC MarketScape is to focus on those notable vendors that focus on broad supply chain capabilities. Each of the nine vendors included in this document meets this requirement. However, there are vendors that run networks that focus on a particular functional area within the supply chain or those vendors that manage a particular enterprise task or even some vendors supporting a narrow industry that are very good at what they do but not included because they do not meet the "broad supply chain" requirement. Over time, this will change and future editions of this document will inevitably have additional inclusions.

ADVICE FOR TECHNOLOGY BUYERS

The long-term movement of the supply chain to one that is highly outsourced and distributed has created both opportunity and challenge. Whether the COVID-19 pandemic has accelerated or muted this trend remains to be seen, though recent IDC surveys suggest that supply chain outsourcing continues largely unabated.

The opportunity, of course well known, 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 past, 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 communicate in real time and have acceptable levels of visibility both upstream and downstream has become increasingly problematic. IDC has observed for some years now the potentially transformative role of cloud-based networks on the ways in which supply chains will operate in the future. According to IDC's 2020 *Supply Chain Survey,* 92% of companies are participating in at least one cloud-based supply chain network, with two-thirds of those participating in more than one.

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 levels of experience in your area of need.
- Be clear about the need. Is it about supporting ecommerce, enabling greater visibility, 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 better than others?
- Look to vendors that have experience in your market segment and have the established network scale you require.
- Ensure that part of the evaluation considers your current set of supply chain applications. The evaluation should be in terms of either how the network will integrate with those applications or using the network as a complete/partial replacement of those tools.
- Ensure that the vendors you consider have both the existing necessary functionality as well as 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 may need in the future. In some ways, the more interesting discussion is about what the longer-term supply chain looks like and where new technologies and consumer expectations will dramatically affect the way that supply chains operate. Ensure as you engage with a network vendor that the vendor is at least thinking about what tomorrow may look like.

VENDOR SUMMARY PROFILE

This section briefly details 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 strengths and challenges.

OpenText

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

OpenText is a global cloud software vendor providing information management applications, and its business network division covers a broad range of industry markets, including CPG, high tech, retail, automotive, and financial services. The company was founded in 1991, and in 2014, it acquired GXS, a notable business network company. Subsequent acquisitions included ANX in 2016, IoT and IAM platform provider Covisint in 2017, and Liaison Technologies in 2018. OpenText is headquartered in Waterloo, Ontario, Canada. OpenText has a history of investing for growth while maintaining high profit sustainability. OpenText has had 20 consecutive years of profitable growth. The company currently has over 14,000 employees. OpenText considers itself to be a premier provider of information management that enables connected and intelligent enterprises in the digital economy.

OpenText Business Network combines managed services and cloud-based supply chain applications to facilitate efficient, secure, and compliant collaboration between people, systems, and things. It

provides the necessary digital foundation and insight analytics to optimize business processes across extended business ecosystems.

The OpenText SCCN solution is built on a flexible global messaging and unified integration platform, the Trading Grid. This platform enables it to integrate to most third-party application for seamless information exchange. It delivers out-of-box integration to large ERP systems and modules, including native integration to major enterprise application platforms such as SAP S/4HANA and Oracle E-Business, accounting packages such as QuickBooks and Dynamics, and cloud platforms such as NetSuite. The acquisition of Liaison Technologies in 2018 has allowed OpenText to extend Trading Grid's integration capabilities with a suite of over 200 API connectors that allow companies to integrate to and between internal business applications. This provides a single, unified integration platform that allows companies to integrate to both internal business systems and external people, systems, and things. Trading Grid provides a true foundation for establishing a future proof digital backbone to support business growth and transformation initiatives. The components that make up SCCN include:

- Trading Grid Messaging Service
- Integration Managed Services
- Active Applications Suite (Active Orders, Active Invoices with Compliance, Active Intelligence, Active Community, Active Catalogue)
- Trading Grid Analytics, Magellan AI
- OpenText Identity and Access Management (IAM)
- OpenText Internet of Things

OpenText SCCN currently has over 33,000 active subscribers to its network, with more than a million active trading partners. It has many large global implementations, including a large European CPG manufacturer that is connected to over 45,000 active trading partners, a North American auto OEM to support millions of end users on a connected vehicle solution (as well as over 60,000 suppliers), and a European high-tech manufacturer that is rolling out now to 80,000 suppliers globally. SCCN modules and the user interfaces are highly configurable by customers to meet their unique business processes and workflow requirements. In terms of participants, 70% are shippers/manufacturers, 15% are shippers/retailers, and 5% are logistics services providers.

In terms of delivery models, OpenText is primarily hosted via public cloud, with some on premises (10%) and a very small number on private cloud (2%). SCCN is being used in 135 countries and is available in 11 languages. Although OpenText does not report revenue for specific offerings, publicly reported Cloud Services (closely aligned with the Business Network), it reported 27.5% growth for 2019-2020. OpenText invests approximately 12% of revenue in R&D spend for SCCN; innovation has been constant and consistent, so there is no reason to think this will not continue. SCCN strategic investment themes include:

- **Visibility and Analytics** – giving users greater access to actionable insights across the supply chain for identifying opportunity and mitigating risk, including AI use cases
- **Process Orchestration** – advanced workflow such as trading partner auto-provisioning
- **Experience** – improving the flexibility and control that customers have over their implementation, including mobile applications, self-service configuration, and graphical interfaces
- **Compliance** – enabling customers to comply with customer commerce requirements as well as regulatory mandates, such as e-invoice compliance

- **Reach** – broadening and deepening the community, notably with an API interface to expose and consume APIs, more native adapters to reach SMB communities such as NetSuite, and expansion to IoT and secure connectivity to things
- **Security** – information security with identity and access management

Strengths

As a proven vendor in the SCCN space, OpenText succeeds because of its scale, expertise, global reach, and focus on investment and growth. Manufacturers and retailers that depend on a proven solution and business partner to power their global supply chains and ensure business continuity select OpenText.

Specific capabilities that set OpenText apart include:

- Integration depth and breadth, from adapters and native support for SAP to one-to-one application mapping, a library of more than 5,000 canonical maps, API-based and web services integration, and much more
- Integration of Liaison A2A capabilities offer over 200 API connectors for integration to internal business systems such as ERP, CRM, HCM, TMS, and WMS
- Strategic partnership with SAP – Endorsed Business Solution (EBS) for managed services
- Largest connected community with global scale and reach – over 1 million companies connected to its network that collectively process over 26 billion transactions per year, with a combined value of $9 trillion in commerce per year
- Breadth of trading partner enablers, including intelligent capture to convert fax and emails into EDI/XML and embedded into Microsoft Office Excel
- Self-service capabilities to ensure customers have flexibility and control over their SCCN services and trading partner information
- Unique OpenText Identity and Access Management information security and collaboration

Challenges

OpenText's primary challenge is selling against organizations that think they can manage global supply chain complexity with internal staff and software licenses. Creating a compelling business case to leverage a third-party MESCCN service provider is the major barrier. Once organizations have reached a conclusion that managing this global complexity and constant change is not a core competency, the next most common challenge is competing on price-led solutions that cannot deliver the depth, breadth, expertise, and global reach and scale that OpenText can.

Consider OpenText When

Manufacturing and retail organizations looking for vendor 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 individual vendor within the specific market segment being assessed.

Each of the nine vendors evaluated for this IDC MarketScape have 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 there remain differences among the competitors, 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 range of 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 in an effort 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/or transactions among disparate parties pertaining to the supply chain or to supply chain processes. In today's fast-paced, highly analytical supply chain, the use of 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. 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 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. We've articulated in prior documents that cloud-based multi-enterprise B2B (or even B2C) commerce networks are poised to be enormously influential in the ways that supply chain operate. In IDC's 2020 *Supply Chain Survey,* over 90% of companies said they were actively participating in commerce networks, with a majority of them involved in more than one.

Strategies and Capabilities Criteria

Tables 1 and 2 provide key strategy and capability measures, respectively, for the success related to multi-enterprise supply chain commerce networks.

TABLE 1

Key Strategy Measures for Success: Worldwide Multi-Enterprise Supply Chain Commerce Network

Strategies Criteria	Definition	Weight (%)
Customer service strategy	▪ Customer service strategy	5.0
Delivery	▪ Delivery model	15.0
Financial strategy	▪ Financial/funding model	1.0
Functionality or offering road map	▪ Functionality or offering road map ▪ Portfolio strategy ▪ Range of services strategy ▪ Scalability strategy	30.0
Growth strategy	▪ Sales/distribution strategy ▪ Marketing strategy ▪ Growth strategy ▪ Employee strategy	22.0
Innovation	▪ Innovation/R&D productivity	15.0
Pricing strategy	▪ Cost management strategy ▪ Pricing model	12.0
Total		100.0

Source: IDC, 2021

TABLE 2

Key Capability Measures for Success: Worldwide Multi-Enterprise Supply Chain Commerce Network

Capabilities Criteria	Definition	Weight (%)
Customer service delivery	▪ Delivery model appropriateness and execution ▪ Customer service	13.0
Portfolio benefits	▪ Portfolio benefits delivered	10.0
Employee management	▪ Employee management	5.0
Functionality or offering delivered	▪ Functionality/offering delivered ▪ Portfolio benefits delivered ▪ Scalability	35.0
Growth execution	▪ Growth strategy execution	10.0
Marketing delivery	▪ Marketing	1.0
Pricing model	▪ Cost competitiveness ▪ Pricing model options and alignment	10.0
R&D productivity	▪ Innovation/R&D pace and productivity	10.0
Range of services	▪ Range of services capabilities	1.0
Sales and distribution execution	▪ Sales/distribution structure, capabilities	5.0
Total		100.0

Source: IDC, 2021

LEARN MORE

Related Research

- ▪ *IDC FutureScape: Worldwide Manufacturing Supply Chain 2022 Predictions* (forthcoming)
- ▪ *IDC PlanScape: Supply Chain Resiliency for the Next Normal* (IDC #US46957520, November 2020)
- ▪ *IDC MarketScape: Worldwide Multi-Enterprise Supply Chain Commerce Network 2018 Vendor Assessment* (IDC #US44514117, December 2018)
- ▪ *IDC MaturityScape: Digitally Enabled Thinking Supply Chain 1.0* (IDC #US43704118, April 2018)

Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment of a number of 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.

"IDC has observed for some years now the potentially transformative role of cloud-based networks on the ways in which supply chains will operate in the future. In a few places, we have stated that networks will have the most influence on the future of the supply chain. A bit hyperbolic perhaps, but we do believe that the ability to work within the appropriate set of supply chain networks will raise the performance of the supply chain materially. According to IDC's 2020 *Supply Chain Survey,* 92% of companies are participating in at least one multi-enterprise supply chain network, with two-thirds of those participating in more than one," says Simon Ellis, global VP, IDC Manufacturing Insights' Supply Chain Strategies Practice.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

Global Headquarters

140 Kendrick Street
Building B
Needham, MA 02494
USA
508.872.8200
Twitter: @IDC
blogs.idc.com
www.idc.com