

Technical and Cultural Integration: Understanding Enterprise Platforms & E-Invoicing

White Paper, October 2012

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Introduction & situational overview:

The decision to adopt any business platform often stems from a need to increase efficiency, cut costs and fix or improve an existing, broken process. Rarely however does a chosen solution function completely independently from others an enterprise utilizes to run and manage a business.

In fact, e-invoicing is just one of many platform functions that can touch every interaction of a business. If not integrated properly, the implementation of a solution designed to improve one process can result in lost efficiencies and increased costs within others. For this reason, it is critical to understand the different possible levels and types of integration when determining how to best implement a selected platform and e-invoicing technology.

Of course, an organization of any size must address the technical implications of integration. How will the chosen solution work with the IT infrastructure already in place? But it's perhaps even more important to consider how the solution will integrate with a network of suppliers, customers, and partners. Today, more and more businesses are concerned with these types of integrations, making them a main consideration when analyzing new enterprise solutions.

“How will the chosen solution work with the IT infrastructure already in place?...”

Gone are the days when adopting a platform was seen as a solely internal decision. Industry leading enterprises now evaluate all the external players that will engage with the selected service to ensure it meets all stakeholders' needs - including suppliers and partnering organizations. A platform and e-invoicing solution has the potential to greatly enhance how an enterprise culturally integrates with their industry as a whole.

With all enterprise solutions, the degree of value derived will depend on how the organization is able to integrate it. Establishing integration at the core of the business case for implementation will help to ensure that all stakeholders, internal and external, are able to intricately connect with the solution in question.

Technical / System Integrations:

Before considering the finer details of a system's integration with your business and industry, it makes sense to first look at how it will work with the current infrastructure. As mentioned, a

platforms and e-invoicing solutions often requires interaction from several internal players, not simply those directly involved in departments like AP or IT.

To begin this discovery process it is important to understand the different types of technical integration made available by the platform under investigation. The following are descriptions of different integration options you and your vendor should be aware of, all of which are available through Tradeshift.

Web Interface

Technically speaking, a web interface is not actually an integration. Instead, it's better to think of it as a way to allow transacting parties to manage and view shared documentation easily and securely in real-time. Significantly, it also enables the opportunity for its creators to upgrade or add functionality without major disruption.

“The Tradeshift web interface is also free and can be set up in just a few minutes.”

Tradeshift's cloud-based platform includes a classic example of this, supporting real-time communication between parties to allow instant status updates on electronic invoices and secure messaging between buyers and suppliers. The Tradeshift web interface is also free and can be set up in just a few minutes. However, it is worth noting that utilizing the web interface alone does include one key consideration -- it does not scale for a large amount of invoices.

File Transfers

Large organizations considering these new technologies will need to explore the file transfer options open to them. This provides the capability to send and receive hundreds or thousands of documents through a familiar and long-established method.

The four most common transport protocols are available on the Tradeshift Network:

- File Transfer Protocol (FTP)
- FTP Secure (FTPS)
- SSH File Transfer Protocol (SFTP)
- Application Programming Interface (API)

Most large enterprises using Tradeshift chose to work with FTP /FTPS /SFTP. This method works best with accounting or ERP system that can support the sending of documents over FTP or with an FTP client. While FTP/FTPS/SFTP options provide the must-have functionality for sending and receiving documents, the integration can be taken a step further with the API.

A REpresentational State Transfer (REST) based API allows integrators to handle a number of

resources for tasks such as managing business documents, synchronizing documents with another system or retrieving sender and receiver data. API integrations provide one of the most flexible and stable solutions.

These options are well-known, standard protocols for data transfers that will be familiar to any IT resource required to implement them. In fact, they are most likely already utilized in most enterprises today, and as a result, are unlikely to require extensive further development work.

Application Connectors

Application connectors are utilized by large enterprises and smaller organizations alike. The connector does the work of integrating and transferring documents between accounting or ERP systems and the platform / invoicing solution. Tradeshift offers a wide range of different connectors into common systems such as SAP and Oracle and these third party applications prove once again the importance of implementing a system based on open standards.

Ultimately, however an organization approaches the technical integration to a network depends heavily on the number of documents they need to send and/or receive. The value derived from networking and e-invoicing far exceeds simply eliminating the printing and handling of paper or entering data into an ERP system. Understanding how systems can work with a new solution ahead of implementation will prevent project delays, unexpected headaches and overrunning costs.

Cultural Integrations

Looking beyond the walls of one's own organization we quickly see an entirely new integration challenge that must be considered. For the purposes of this analysis we will refer to these as 'cultural integrations' -- the intricate interactions between buyers, suppliers and partners in their selective industries. The decisions made by one will most certainly affect the business operations of another.

Some of the largest and most successful enterprises that exist today have a thorough understanding of how all their business partners operate and rely heavily on this knowledge when preparing to implement new internal business solutions. In doing so they promote higher adoption rates and engagement from all those involved, greatly improving the overall business case for implementation.

“What attributes provide advantages when it comes to cultural integration?”

What attributes provide advantages when it comes to cultural integration? Examining three key components, present in Tradeshift, sheds light on how one system may be better suited for cultural integration than another:

- Promoting interoperability
- Maintaining open standards
- Enabling a network of suppliers

Promoting interoperability

Today we find a wide range of networks, portals and platforms made available and tailored specifically to financial services and accounts payable industries. It is unlikely that any one enterprise will be using the same system as all the other companies they conduct business with, whether vendors, customers or partners. Promoting interoperability and ensuring the platform you engage with does the same is critical to avoiding unwanted costs and system limitations.

It is also a vital component in promoting engagement with suppliers. Systems that are not interoperable create inherent roadblocks to suppliers and partners who you may need to interact with.

Several industries are addressing this issue by forming partnerships and interoperability agreements with providers who support the method. Take for example the upstream oil and gas industry's global member-based group, OFS Portal, LLC, which was created to encourage open standards and promote interoperability for buyers and suppliers.

OFS signed into an interoperability agreement with Tradeshift enabling OFS Portal Members to adopt it as a platform to exchange valuable data and transactions with their oilfield customers through open, non-proprietary standards. As a result, industry-players are able to adopt and benefit from latest technologies and services without being locked in to any one tool.

Maintaining open standards

All industries have one thing in common: they are always changing and evolving. What is standard business process today could very easily become obsolete tomorrow. How then do we develop the trust to invest in and commit to an IT and financial infrastructure we can ensure is relevant both now and in the future? One area where you can make these decisions with confidence is around open standards.

Maintaining open standards has become increasingly necessary in recent years. Looking at the products and systems we use on a daily basis, it's easy to find common examples of open standards and the advantages they bring to the workplace. Take for example third

party application development, which is available on many smart phones and tablets. Providing engineers with the ability to develop applications has allowed a device to evolve with changing industries. The same dynamic exists with solutions like Tradeshift.

We maintain compatibility by sticking firmly to open standards that make it easy for anyone to develop third party applications and connectors. This allows suppliers and buyers activate new features and functions that support their specific needs and provide greater and growing value. Popular applications include those that integrate well-known brands or functions like SAP and Dynamic Validations.

The benefits of open standards and third party development platforms like Tradeshift become even clearer when we consider the scalability and longevity of the solution. Such free and open application development also allows for integration with other solutions that may not even be in anyone's current scope but could become critical to your business years from now.

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Enabling a network of suppliers

Supplier adoption and engagement with e-invoicing is absolutely critical to success and achieving maximum ROI. Understanding the challenges, appeal and possible pain points from their perspective is one of the key ways to confront and overcome this. Identify these themes and then communicate with your network consistently and through multiple channels to ensure the best results.

Tradeshift's open platform and commitment to interoperability are inherently designed to bolster supplier adoption. In addition, its business model, which provides e-invoicing to suppliers for free, also eliminates what for other systems is an insurmountable barrier to some of these smaller companies.

Implementing a system that has the needs of your suppliers, partners and entire industry in mind greatly improves the level of engagement on the selected platform.

Conclusion

Business is becoming more connected by nature. Advances in technology and the internet have brought companies and entire industries closer together than ever before. In doing so, the ways in which companies interact both internally, and with their suppliers, customers and partners, has changed. Business integrations have become more intricate.

To promote strong business relationships with these different partnering entities it is critical to understand how the systems an organization chooses to adopt will integrate, not only with the internal infrastructure but also the infrastructures of those outside the organization. Considering these entities as stakeholders and integrating their needs will improve the overall business case for platform adoption and e-invoice implementation.

For More Information

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