IDC MarketScape: Worldwide Multi-Enterprise Supply Chain Commerce Network 2018 Vendor Assessment
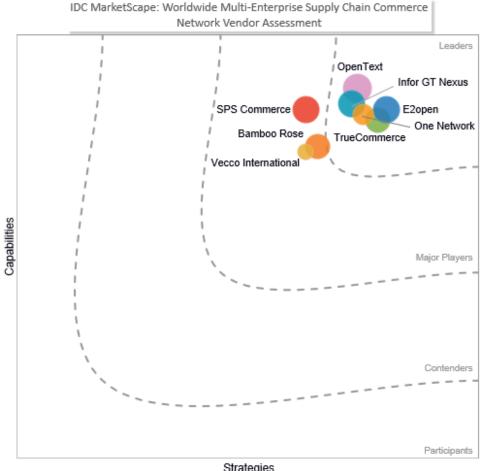
Simon Ellis

THIS IDC MARKETSCAPE EXCERPT FEATURES ONE NETWORK

IDC MARKETSCAPE FIGURE

FIGURE 1

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

Source: IDC, 2018

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 2018 Vendor Assessment (Doc # US44514117). 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. 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 eight key vendors with broad competencies in multi-enterprise 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 (SCCN) 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.

- 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. One of the references for this study, for example, uses two of the listed vendors.

- 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. The 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. Indeed, in our recently published 2019 supply chain predictions, we suggested that "By 2020, half of the large manufacturers will have begun shifting their supply chain applications from enterprise centric to network centric, driving productivity gains of 2 percentage points." 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 eight 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 (SAP Ariba for procurement) or those vendors that manage a particular enterprise task (IBM with EDI) or even some vendors supporting a narrow industry (Elemica for chemicals) 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 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. 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. Examples of this are common in the extended supply chain – companies that diversified tier 1 supply in order to gain resiliency discover to their dismay that all of the tier 1 suppliers rely on a single tier 2 supplier that acts as a choke point. 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 2018 *Supply Chain Survey,* for example, 90% 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 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 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 PROFILES

This section briefly details IDC's key observations resulting in a vendor's position in the IDC MarketScape for multi-enterprise supply chain commerce network. 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.

One Network

One Network is positioned as a Leader in this IDC MarketScape for worldwide multi-enterprise supply chain commerce network.

One Network is a global multiparty digital network provider that delivers business and supply chain network applications to a broad range of industry markets, including government, food service, CPG, automotive, discrete manufacturing, and retail. The company was founded in 2002 and is headquartered in Dallas, Texas. The company currently has 350 employees worldwide. One Network's view is that traditional ERP is antiquated and is an inwardly focused transaction system that can't really support today's outsourced supply chains. The company's position is that supply chain planning does, and will continue to, require participating parties to leverage modern approaches, such as artificial intelligence (AI), in order to take advantage of an unlimited amount of trading partners to plan, execute, monitor, and synchronize in real time. One Network provides a real-time view of all the underlying processes for all parties on the network, which removes system lead times and enables a single objective function (via AI or machine learning) to meet consumer demand. One Network's offering also coordinates all necessary parties efficiently and at the lowest total cost.

One Network has been a notable supply chain network vendor to the markets it serves. One Network provides a network platform designed for multiparty, many-to-many business solutions with a suite of functional industry modules that can be adapted and extended to meet customers' exact needs without losing the ability to upgrade. Specifically:

- **ONE Platform**: It provides Master Data Management (MDM); control tower with order, shipment, and inventory visibility and execution capabilities; supplier collaboration; PO/forecast/ASN/inventory; vendor performance; order/shipment track and trace; and a chain of custody/blockchain. ONE Platform's Asset Management app provides functionality for managing the life cycle of serialized assets, including tracking and maintenance.

- **Planning and Optimization**: Demand planning provides traditional demand forecasting algorithms, along with additional innovations such as autonomous forecasting, which is an AI-driven solution for adjusting the forecast based on real-time casual detection and learning. A second machine learning algorithm uses a microsimulation framework to maintain appropriate inventory policies, such as safety stock across your inventory buffers. These policies drive an autonomous replenishment solution that provides a rich set of sense-and-respond agents, which help automatically reorder product based on both long-term projected demand and near-term execution realities.

- **Store planning and execution**: It includes store forecasting, store demand translation, demand sensing, and causal detention perpetual inventory, store inventory planning, and store and ordering/replenishment.

- **DC operations**: Warehouse management (WMS) covers all the aspects of warehouse operation, including the modeling of warehouse locations, tracking of inventory (including lot and serial assets), cycle counting, license plating, and picking and put away; capacity planning and yard management allows one to manage trailers in a yard, providing visibility into current yard slots and operations like check-in/check-out.

- **Global and domestic logistics/transportation**: The Transportation (TMS) app covers all the aspects of transportation execution, including carrier tendering, shipment tracking, carrier contract management, and transportation optimization algorithms; Carrier tendering, client quoting, carrier invoicing, and client invoicing are available internationally.

- **Global Supply Demand Match (SDM)**: The Global Supply Demand Match app provides a rich UI environment for visualizing and reconciling supply and demand in an international setting. Orders can be prioritized and allocated among multiple ocean containers to optimize the supply chain and provide complete inventory visibility in transit.

One Network currently manages a large and growing business network of 65,000+ businesses (buyers, sellers, carriers, and third-party logistics providers) across multiple industries. It has many large global implementations, with its largest customer exceeding 5,000 users. In terms of participants, 33% are shipper/manufacturers, 33% shippers/retailers, and 33% logistics services providers. In terms of delivery models, One Network connectivity is varied with on-premises and either public or private cloud, although the essence of the platform is cloud based. One Network is being used across all major regions and is available in all left-to-right languages.

One Network has been growing well at approximately 25% in 2018, with about 40% coming from existing customers and the rest from new ones. The vendor invests 30-45% of its revenue in R&D spend; innovation has been constant and consistent, so there is no reason to think this will not continue. It has a number of strategic initiatives that govern decisions: optimization of global trade (Global Logistics Gateway), Global Logistics Marketplace, new transformative network orchestration

business models, continued development of intelligent autonomous agents, the network of networks, autonomous supply chains, and collaborative ecommerce logistics and fulfillment.

Strengths

As a proven vendor in the supply chain commerce network space, One Network has had the same owner since the company was created in 2002. Since its inception, the company is committed to creating and delivering digital supply networks that allow organizations and their trading partners to effectively connect, collaborate, optimize, and execute with one another in order to better serve their end customers.

One Network offers a true hub-to-hub network that allows each party to operate on the network with a single connection. Each party joins the network once and can participate in multiple shared processes without having to be re-onboarded. A modular, adaptable, and extensible platform as a service (PaaS) is built to deliver multitier, multiparty solutions. One Network also offers third-party development tools (SDK and Studio) that enable any party (customer, partner, etc.) to build its own modules and agents, publishable to the One Network module store, and which are integrated and supported by ONE Platform at no cost to the customer. These additional modules and agents can be built within weeks. Intelligent autonomous agents are embedded into the execution layer to solve problems in real time across the entire network, with the ability to sense and respond, make intelligent decisions, and execute those decisions autonomously. All functional capabilities are available as integrated solutions on the network, across demand orchestration, order orchestration, and logistics orchestration.

Challenges

The biggest challenge with implementing One Network often involves the state of the customer's data itself, and as a result, the Master Data Management tool is made available to customers to clean up most customer data before it can be used. The other challenge One Network faces when selling is to clarify misleading claims from competitors that claim they can do exactly the same thing, even if they cannot. One Network also runs into issues where other companies offer a control tower, yet they lack fundamental elements such as Master Data Management multiparty transactions and a permissibility framework, which One Network believes a control tower must have in order to be effective. One Network is also not as well known within manufacturing and is often thought of solely as a control tower application.

Consider One Network When

Manufacturing and retail organizations looking for a platform vendor that offers a supply chain network with multiparty transactional processing and collaboration, along with AI and machine learning SCM applications, should consider One Network. The vendor offers a true collaborative environment for their customers where One Network becomes an extension of their internal staff and offers resources to help customers better modernize and manage their digital supply chains.

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, 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 broadly the scale of the network of each individual vendor within the specific market segment being assessed.

Each of the eight 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 because of 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 a review board 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. According to IDC's 2018 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.

Related Research

- *IDC FutureScape: Worldwide Supply Chain 2019 Predictions* (IDC #US44483918, December 2018)
- *IDC TechScape: Worldwide Digitally Enabled Thinking Supply Chain, 2018* (IDC #US44361318, October 2018)
- *IDC MaturityScape: Digitally Enabled Thinking Supply Chain 1.0* (IDC #US43704118, April 2018)
- *IDC PlanScape: Digitally Enabled Thinking Supply Chain* (IDC #US42843015, July 2017)

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 2018 *Supply Chain Survey,* 90% 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.

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