

How Supply Chain Network Platforms
Provide Significant Value and

Remove the Need to Reimplement Your ERP System

Save Tens of Millions of Dollars
on your SAP S/4HANA® migration
while creating greater value with
business network technology

By Joe Bellini, COO One Network Enterprises

As SAP pushes its customer base to move to S/4HANA, global enterprises face a choice. Slog through yet another costly ERP reimplementations with an uncertain outcome and an open timeline? Or ramp up quickly with an operational system-of-record and proven technology designed from the ground up for multiparty business networks? You know the answer already, and we explain here why it's the correct one.

Business partner collaboration and order execution across your trading network has now become a reality given the technology advancements of the past few years. How you decide to engage with and structure your network relationships will determine your future business success as all companies begin to exploit their opportunities as members of these digital ecosystems. Digital network technologies are transformative in nature, driving new competitive landscapes across all industry sectors.

THE EMERGENCE OF MULTIPARTY SUPPLY CHAIN NETWORKS

ChainLink Research recently defined a Supply Chain Network as “a multi-party network for trading partners, which is a single-platform, single-instance of supply chain applications, data, and services. Members can share data, processes, and applications for the purpose of achieving mutual and private enterprise business goals.” The report ranks One Network Enterprises as the leader in the marketplace for technology providers in this space.

Given this widely accepted definition, shared by industry analysts, it can be surmised that this platform evolution happened for a reason -- and solves major supply chain pain points that have for years been left unaddressed by the big ERP vendors due to an aging architecture which will persist for years to come. This is really no surprise, given that once companies establish true visibility across their business network, they begin to fully realize the lack of collaboration they've had in the past with many of the key network partners such as contract manufacturers, material suppliers, or outsourced logistics providers. And they fully recognize what this lack of visibility has cost them.

The proof point here is that One Network has achieved impressive results wherever it has displaced or been deployed to coexist with ERP style technology. Typical improvements include increased forecast accuracy at the item level of 25% or more, increased retail sell through of up to 2%, increased service levels of 2%, improvements in inventory levels of 30% or more, 20% reduction in transportation costs, lower landed

SUCCESS FACTORS:

- Your enterprise and your business network need a “single version of the truth.”
- Your platform needs to help you react in as close to real-time as possible – and at scale.
- A modular and adaptable platform is a must.
- Take advantage of best-in-class processes, purpose built for your industry.
- Agile implementation is possible and dramatically lowers risk.

costs in the range of 1 to 3%, and reduced headcounts of up to 80% for robotic process automation of repetitive business functions.

GLOBAL ENTERPRISES FACE CRITICAL QUESTIONS

Is yet another “evolution” of big ERP what your business needs to excel in today's market? Or is your future better served through a business network technology shift - similar to those that have powered successful business models like Uber, Alibaba, and Airbnb?

Today S/4HANA is being positioned by SAP as an evolution of SAP's aging ERP infrastructure, but with only a few years to upgrade, are you setting yourself up for another potential round of missed expectations and cost overruns? It's not surprising that certain companies who have embarked on the new SAP reimplementations have already stopped the process due to delays and costs.

The IT burden alone is significant. Given that the potential re-implementation cost of SAP Business Suite 7/ECC 6.0 to SAP S/4HANA can run in the tens of millions of dollars, and complicated by the fact that many of the deployments contain custom code branches which become a support nightmare, many IT departments fear taking on the SAP Cloud given these potential support issues.



The imbalance of cost and value during the last round of upgrades/re-implementations is well documented. Computer Weekly recently stated, “When they (Computer Weekly) started seeing SAP project failures in the late 1990s, cost of implementation was one of the contributing factors. The problem was that SAP was sold as a set of pre-packaged business processes, encapsulating business processes from some of the world’s largest companies, but often these did not match how companies trying to implement SAP saw their business processes. This meant they often required customization.”

Given the rapid evolution of today’s market requirements which are driving the need to implement responsive business process capabilities across a network of trading partners, why would anyone want to get locked into another centralized, costly, and customized monolith? It really makes no sense. In other words, why visit Jurassic Park a second time when little has changed?

Computer Weekly continues, “Two decades on, experts are in agreement that customizing SAP should be avoided because cost and complexity will quickly escalate. This is as true today for companies embarking on an SAP S/4HANA implementation as it was when they first implemented SAP R/3 in the 1990s.”

THE CLOCK IS TICKING. IT’S DECISION TIME

SAP has already announced plans to end support for the core of its ERP product. Would you rather be pushed into a technology change on a vendor’s timeline with an uncertain outcome, or would you rather be at the forefront of today’s evolving business models with enabling technology that powers these success stories?

Don’t let yourself get locked into the painful process of having to redevelop and re-implement your existing SAP custom code for S/4HANA. And in the rare case that you didn’t customize, you are still facing a revisit to Jurassic Park in what amounts to implementing a completely new ERP system. The good news is there’s no need for that.

THERE IS A BETTER WAY FORWARD

And it is a strategy focused on the reality of today’s multiparty business networks. Gartner recently validated the global market in advanced technology for supply chain business networks when it published, for the first time, a new Magic Quadrant research report on supply chain networks. Given the new business models such as Uber, it was long overdue. While Uber is a business-to-consumer (B2C) model, this basic industrial shift to a network operating model is now becoming pervasive in global business-to-business (B2B). In fact, the level of business benefits to end consumers that allowed Uber



to displace existing B2C models are now being realized by companies across multiple industries who are replacing their tired, old monolithic and centralized ERP operating models with network-based operating models.

One Network Enterprises is the execution leader in the Gartner Magic Quadrant for Multienterprise Supply Chain Business Networks for good reason. A survey of installed customers across multiple industries including Retail, CPG, High Tech, Automotive, Industrial, Healthcare, Pharmaceutical, Transportation, Logistics, Aerospace, and Defense reveals business process improvements that simply aren't achievable using past or future ERP-style technologies. And better yet, Network based technologies not only enable advanced business process capabilities, but also replace most (and in some cases all) of the old ERP software capabilities – becoming the operational system of record.

To be ranked in the Gartner report, Network software providers need to prove execution and innovation across many of the same software categories we have come to believe only come from the ERP and other vendors. It's a long list that includes: forecast visibility, inventory visibility, capacity visibility, supply chain planning, supply chain execution, supply risk management, performance management, AI/Machine learning, predictive and prescriptive analytics, exception management, issue resolution, identity management, document management, enterprise system integration, multi-channel integration, network interoperability, information hub (control tower), business partner connectivity, signaling and tracking movement of materials on multiple orders/shipments, and transportation hierarchies/nodes/lanes/types (air, road, marine, parcel) across multiple business partners.

Further, Gartner says that the Network software offering provides a comprehensive multi-enterprise end-to-end solution that spans all tiers of the value chain from the consumer's consumers to the supplier's suppliers – including forecast, inventory everywhere, order, shipments, packing, transport, notification, capacity, risk, and finance. Given One Network's leadership position across Gartner, Nucleus Research, IDC and other analyst groups, and given the functional domain of coverage listed above, your enterprise should take a serious look at the network-centric technology that is powering the market's most competitive business models. After all, you're being forced into a major system reimplementation in any case – so you owe it to yourself to consider today's best available technology for multiparty supply chain management.

This probably all sounds too good to be true, so let's quickly detail the 5 pillars that have made the new technology shift (as described by Gartner and others) a market reality.

1. Your enterprise and your business network need a "single version of the truth."

Your supply chain technology platform needs to enable a single version of the truth across your trading network. Legacy ERP technologies enable the wrong thing in this area. They allow each node in your trading network to develop their own version of the truth even though the end demand is the same for everyone. This of course leads to conflicting and stale data, which drive longer lead times, higher inventories, the wrong inventory mix, and inventory obsolescence. Ultimately, that means lower service levels and significantly higher costs. With a network-centric platform, all these downsides are eliminated.



2. Your platform needs to help you react in as close to real-time as possible – and at scale.

You really need to sense and respond to that data in close to real time, to exploit all market opportunities and resolve any exceptions which would result in poor performance. Given today's volumes of data coupled with the ability to balance demand, materials, capacity, and logistics simultaneously, we need intelligent automation along with autonomous agents empowered to deploy your business strategies and tactics to meet and exceed all facets of your business plan. These agents need to be equipped with both tried and true analytical capabilities, along with a modernized artificial intelligence (AI) and machine learning (ML) capabilities. Why? Because today scale has out-stripped human capacity. Real-time visibility is not enough when dealing with up to a million or more supply chain events daily. Your business needs analytics and machine intelligence to drive decision making at sufficiently large scale.

3. A modular and adaptable platform is a must.

Enterprises need modularity and adaptability, because unlike Uber, we aren't dealing with a green field system deployment. We need to migrate our business operating models along with the enabling technology through a business release process with value-based prioritization. In this way, through a service-oriented architecture (SOA), you can adapt quickly to changing market conditions while also coexisting with and complementing your existing applications. Along with the available modules where you can configure best-in-class business processes, you also want the technical capability with robotic process automation to capture best-in-class processes already in operation and enable those workflows in addition to the standard and supportable SaaS system deployment.

4. Take advantage of best-in-class processes, purpose built for your industry.

Within our trading network we don't want to implement layer upon layer of "one-to-many" style configurations like we see in many of the current logistics, transportation, ERP, and EDI type deployments. We want true network-based, many-to-many, best-in-class processes which are purpose-built by industry and available to configure between trading partners. It requires robust controls and configurable permission preferences, so each company can decide what to make visible to other traders and business partners. The more each company leverages the network infrastructure, the larger the force multiplier they receive in terms of new market opportunity, essentially moving their company out of "Jurassic Park" and into the "Art of the Possible."

5. Agile implementation is possible and dramatically lowers risk.

Using an agile implementation approach which leverages the sprint style requirement process, we can now ensure high system "usability" across all user types, along with an incremental deployment model designed around time to value, whether that is focused on strategic opportunities or pain point elimination. So, business benefits accrue as work advances, supporting a self-funding business model. The agile approach is only possible with such networks, ending the cost overruns associated with legacy ERP type implementations. Plus, when you join an existing industry network platform with an already-connected set of suppliers and thousands of logistics partners, there are enormous savings in time and money – allowing you to ramp fast.



A quote from a recent paper by analyst IDC points out the advantages of an agile implementation, “Poorly coordinated processes that don’t map to business needs and that undermine production systems when deployed are not merely costly – they can stymie effective corporate positioning and responsiveness to rapidly changing competitive pressures and global demands.

ENTER ONE NETWORK

Today over 70,000 businesses are already connected and trading across the industry’s leading supply chain business network. They trade across 6 continents with over 50 million logistics transactions globally, and in the US almost half of the groceries on store shelves today are moved across One Network. From retail to consumer goods to high tech to healthcare to automotive to industrial and A&D, the advantages of running your business on a network operating system rather than an ERP-style monolith are significant.

By joining the Network, you eliminate the fear and risk of trying to figure out how to re-implement SAP S/4HANA in the cloud, not to mention the high level of cost. The One Network platform can be deployed in phases, allowing those with monolithic or customized ERP deployments to migrate to the Cloud over time, driving improved business benefits along the way. And one of the biggest benefits in joining the Network is your ability to configure best-in-class processes in the cloud, with full Supply Chain Control Tower level visibility across the Network, and a singular focus on driving business benefit and value for both your company and your trading partners with advanced collaboration capabilities.



About the Author

Joe Bellini is Chief Operating Officer at One Network Enterprises. Joe’s experience extends across some of today’s leading technology companies, including General Electric, HP/EDS, Brooks Automation, IRI, R1 and Oracle. Joe was granted patents in Supply Chain Planning and is the co-author of the business strategy book, “The Real-Time Enterprise.” Joe holds degrees in Mechanical Engineering, Applied Mathematics and Statistics, is an alumnus of Harvard Business School, and is certified in Artificial Intelligence and Machine Learning from the MIT Sloan School.



ABOUT ONE NETWORK

One Network is the intelligent business platform for autonomous supply chain management. Powered by NEO, One Network's machine learning and intelligent agent technology, this multi-party digital platform delivers rapid results at a fraction of the cost of legacy solutions. The platform includes modular, adaptable industry solutions for multi-party business that help companies lower costs, improve service levels and run more efficiently, with less waste. This SaaS and aPaaS platform enables leading global organizations to achieve dramatic supply chain network benefits and efficiencies across their ecosystem of business partners. One Network offers developer tools that allow organizations to design, build and run multi-party applications. Leading global organizations have joined One Network, helping to transform industries like Retail, Food Service, Consumer Goods, Automotive, Healthcare, Public Sector, Defense and Logistics. To date, more than 75,000 companies have joined One Network's Real Time Value Network™ (RTVN™). Headquartered in Dallas, One Network also has offices in Japan, Europe, and India. For more information, please visit www.onenetwork.com.



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