

Supplier collaboration: The race to simplify complexity

A single platform unifies fragmented systems to streamline B2B processes



Supply chains are vital to business. But supply chain processes are too often mired in manual work and hobbled by disconnected systems, making fundamental tasks like onboarding onerous, time-consuming, and costly. A single platform that enables deep, automated collaboration is needed to streamline processes, tighten security, and lower costs.

A new Foundry MarketPulse report finds IT and business decision-makers are acutely aware of the many challenges facing their supply chains. To streamline supplier collaboration, survey respondents seek a unified set of automated collaboration tools, integrated with ERP systems and powered by artificial intelligence (AI).

Improving supplier collaboration promises to deliver significant dividends. Reducing friction for supplier interactions, from onboarding to ordering, shipping, billing, and payment, increases efficiency and eliminates delays due to cumbersome manual processes. Not only does a business run better, its suppliers are happier and more loyal. Further, a single, automated platform for supplier collaboration helps organizations identify risks by shrinking the attack surface that is exposed to bad actors and making it easier to spot malicious activity.

What's holding back supplier collaboration?

The Foundry MarketPulse survey pinpoints bottlenecks that are impeding supplier collaboration. The leading culprit is the **complexity of supplier onboarding** (53%), which causes slowdowns and increases costs. Often, suppliers need access to multiple systems such as collaborative planning, inventory management, and accounts payable, but provisioning access for each system separately can be a lengthy and frustrating task. Beyond navigating the maze around system access, suppliers may also need to fill out different forms and provide overlapping information multiple times.

The survey reveals there are an average of **seven systems** and **three departments** that suppliers must deal with at each of their customer organizations. Working with each system involves multiple steps that take time, effort, and expense to complete. Survey respondents say the **high cost of supplier onboarding** is the second biggest challenge (50%) they face.

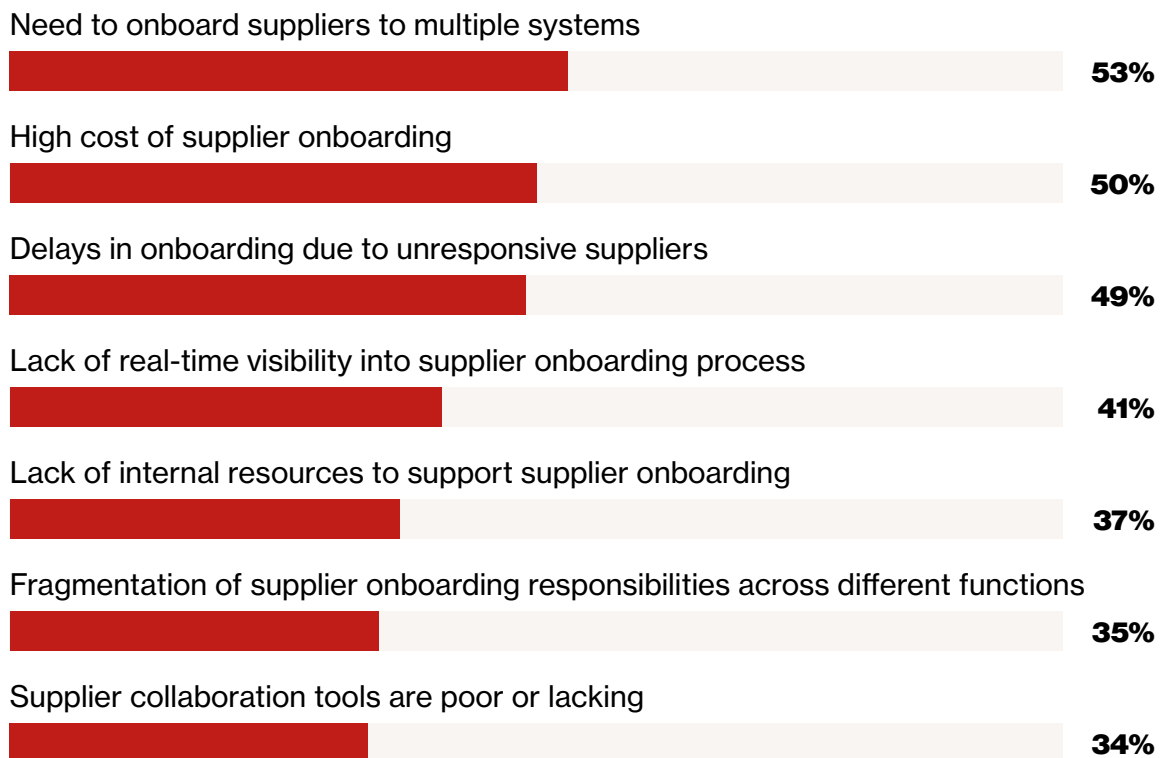
In the real world, it can look like this: A company would like to onboard 100 suppliers for collaborative processes that span system-to-system

integration through EDI for exchanging orders, advance shipping notices and invoices, collaborative planning for exchanging demand forecasts and inventory data, and real-time logistics visibility for tracking shipments. The suppliers are asked to provide financial records for a credit check, relevant product certificates, and sustainability information. Each of these activities is handled separately due to the involvement of different software vendors and internal teams, leading to suppliers providing

duplicative information several times during the onboarding process and needlessly wasting time and effort.

The daunting array of onboarding steps is likely a key contributor to the third greatest challenge (49%) according to the survey: **delays due to unresponsive suppliers**, who may have become fed up with all the hurdles they must surmount or do not have a clear idea of what they need to do.

Figure 1 | Biggest challenges for supplier onboarding



SOURCE: FOUNDRY

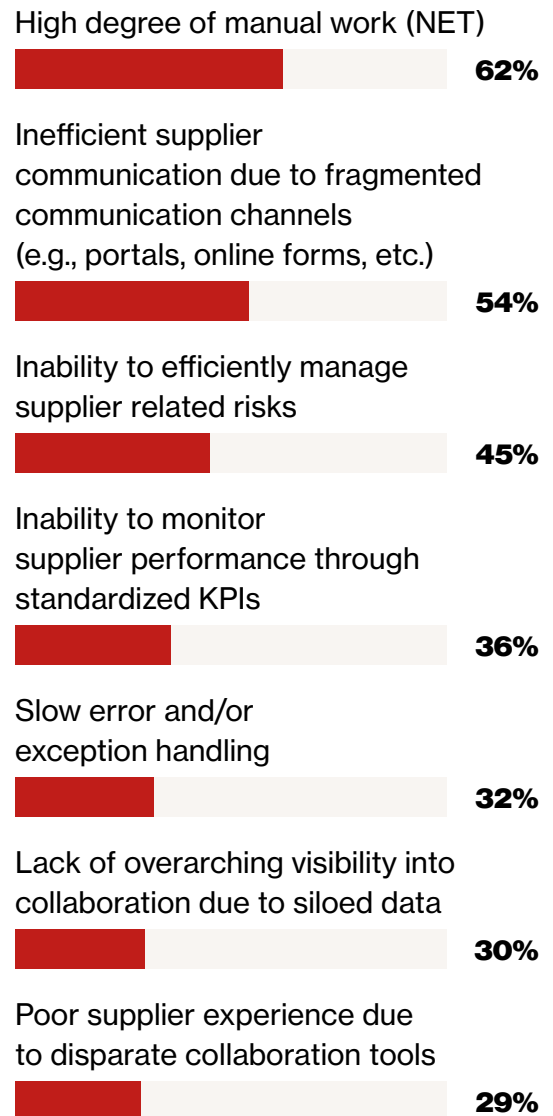
It takes an average of **three weeks** to onboard new suppliers, according to the MarketPulse survey, and 15% of respondents report it takes more than a month. The scope and complexity of collaboration naturally impact timelines, but it is obvious that most organizations have an opportunity to significantly speed up onboarding by consolidating their currently fragmented approach.

Manual work is widespread

Beyond supplier onboarding, day-to-day collaboration also suffers from complexity. With several disparate systems involved, suppliers are forced to juggle multiple login credentials and web links as they navigate between different systems to work with key customers. On average, **six different systems are used for day-to-day collaboration.** Between onboarding and day-to-day collaboration tools, the average user has **eight different login credentials** to buyer systems.

And it's not just suppliers that can get frustrated. Buyers may perceive suppliers as inefficient rather than confused and overburdened with non-intuitive tasks. Overall, disparate collaboration tools waste time for both suppliers and buyers, who

Figure 2 | Biggest challenges for day-to-day supplier collaboration



SOURCE: FOUNDRY

Respondents cited lack of automated tools and poor data quality/process errors as the leading causes for a high degree of manual work.

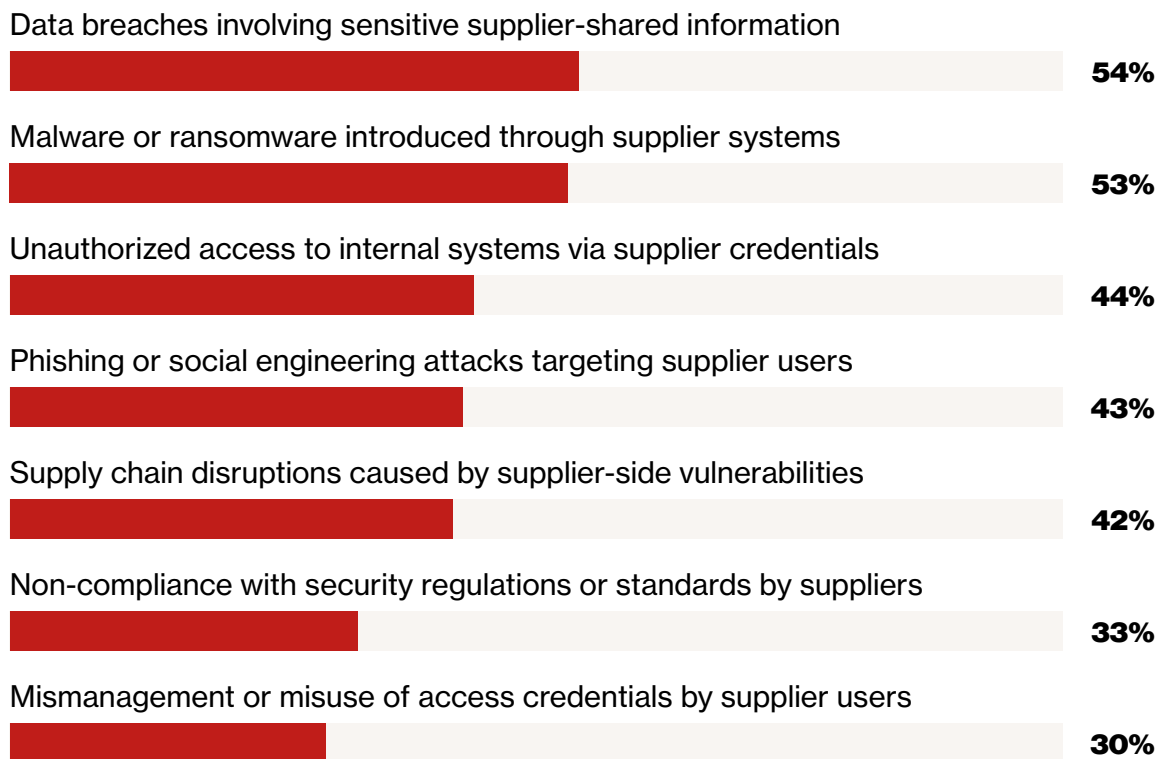
might be working in any one of many fragmented systems.

A lack of automated tools and poor data quality, often due to manual process errors, leads to still more manual work to rectify problems. More than six in ten (62%) survey respondents say dealing with suppliers requires a large amount of manual work.

Security risks are a major concern

Cumbersome and inefficient processes create avenues ripe for cyberattacks. When suppliers must share sensitive information with trading partners and create and maintain multiple passwords, the potential for system compromise is multiplied.

Figure 3 | Most concerning potential cybersecurity incidents involving suppliers



SOURCE: FOUNDRY

In the fall of 2024, a supply chain application vendor reported a ransomware attack that affected several of its customers, including a multinational coffeehouse chain. IT and business decision-makers are worried about such attacks, according to the survey.

Data breaches involving sensitive supplier-shared information is the most concerning potential cybersecurity incident involving suppliers (54%), followed closely by malware or ransomware introduced through supplier systems (53%). Credential theft, phishing attacks, and supply chain disruptions due to supplier vulnerabilities are also major worries.

What's needed for better supplier collaboration?

Since the multiplication and fragmentation of supplier collaboration

systems is recognized as a problem, it stands to reason that reducing the number of systems needed for processes such as onboarding – and creating a single workflow that incorporates the remaining systems – are twin strategies that should be pursued.

For ongoing collaboration, a single point of entry through federated access to all collaborative systems streamlines the user experience and makes information easy to find. For large industrial companies with highly complex supply chains, the benefits of federated access can be dramatic. Automotive companies, for example, might have dozens of applications that are accessed by tens of thousands of users across thousands of supplier organizations. Simpler and faster access to these systems, multiplied across such large numbers of interactions, can yield exponential productivity improvements.

Security

Centralized identity and access management (IAM), combined with a unified user experience, reduces the cyberattack surface and gives cybersecurity professionals improved visibility. A single point of entry enables



security teams to apply more robust authentication policies without hindering user productivity by requiring multiple logins.

Centralization significantly reduces the number of user credentials that can be compromised. It also enables staff to better control access rights, granting them only when appropriate, and revoking them from users who no longer need them.

Continuous improvement of system-to-system integration

Increasing system-to-system integration is a key strategy to reduce clumsy and error-prone manual processes. On average, **43% of all supplier data exchange** is already handled by **system-to-system interactions**. Organizations should seize the opportunity to increase that percentage wherever possible.

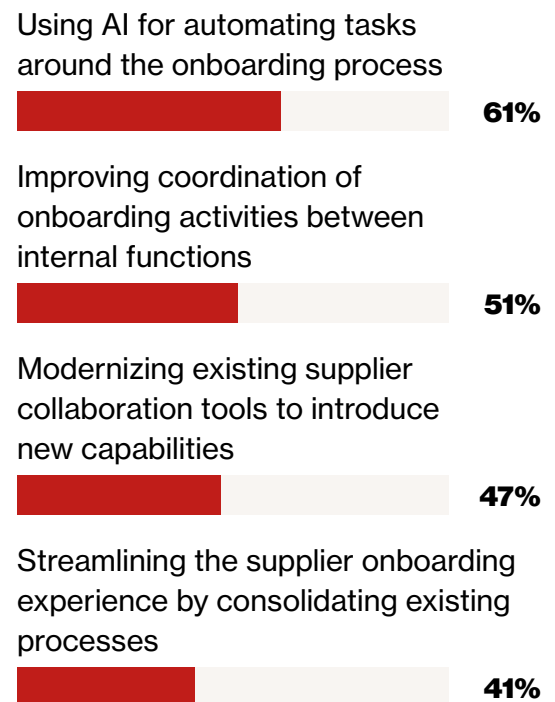
A key benefit of system-to-system interaction is eliminating the need to manually rekey information between business applications, thereby eliminating the effort, expense, and risk of human error. Automatically generating and routing thousands of purchase orders directly from an ERP system, rather than manually

entering each one into a separate portal or sending them as emails to suppliers, saves a significant amount of time and eliminates the possibility of inadvertent mistakes.

The AI difference

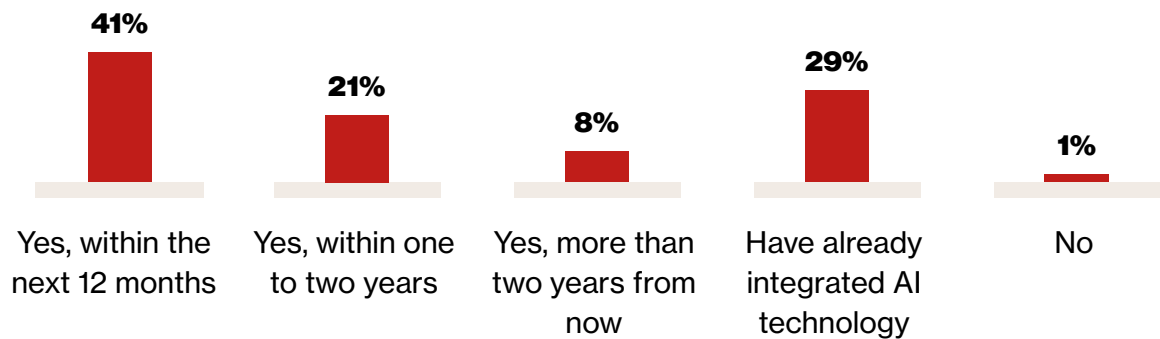
Eager to enhance supplier collaboration, survey respondents see AI as a key tool to improve supplier onboarding: 61% say using AI represents the biggest opportunity

Figure 4 | Biggest opportunities for improving supplier onboarding



SOURCE: FOUNDRY

Figure 5 | Does your organization plan to integrate AI technology into supply chain operations to improve day-to-day collaboration?



SOURCE: FOUNDRY

to craft a better onboarding process. For example, an AI-powered intelligent assistant could guide suppliers as they initiate their partner relationships, anticipating and automating many of the necessary steps. In addition, nonresponsive suppliers could be activated automatically as part of the onboarding workflow.

Decision-makers also see AI as the biggest opportunity for improving day-to-day collaboration, focusing on supplier performance monitoring and risk management. By embedding AI capabilities into many day-to-day processes, workflows could be accelerated by small amounts at many

stages. The cumulative effect would add up to far speedier processes than at present.

Many survey respondents are already reaping such AI-enabled benefits. Currently, **three out of ten (29%) are using AI**, while **seven in ten (70%) have plans to incorporate AI** in supply chain operations.

In addition, machine learning could speed up and lower the cost of system-to-system integration. And AI-enabled advanced analytics of collaboration processes could uncover risks and inefficiencies as well as suggest remedies.

OpenText Business Network removes friction from supply chain interactions

Because global supply chains are highly complex, efficient supply chain operations can be a key competitive difference-maker. For companies that integrate and automate their business processes, the payback is often substantial. In a recent IDC survey, OpenText customers reported an average return on investment of 317% over three years, with investment payback occurring in 14 months.¹

In one case, a large pharmaceutical company works with some 30,000 suppliers worldwide, processing more than four million invoices per year in over 17 languages. The company faced complexities and inefficiencies in its accounts payable processes, due to multiple portals being used by suppliers for actions such as submitting invoices and checking payment status. The unwieldy process caused frustration among suppliers and led to an excessive number of support calls. For the pharmaceutical firm, maintaining multiple collaboration tools also carried significant IT costs.

By partnering with OpenText Business Network, the company greatly streamlined supplier collaboration for invoices, thanks to a single point of entry for all their accounts payable processes. Without duplicating data or effort, the pharmaceutical firm integrated its core business systems, increased process visibility, and cut operating expenses.

Suppliers now have one destination, which improves the self-service experience and reduces support calls. Leveraging a single global solution helps to reduce the company's total cost of ownership by allowing it to retire overlapping tools. The single solution also supports overall digital transformation and financial improvement for the company by driving a common set of best practices across global business units.

Awareness, action, and leadership

The Foundry MarketPulse survey finds IT and business decision-makers are well acquainted with the hurdles they face in onboarding and collaborating with suppliers. Respondents would welcome a single, unified platform that integrates closely with ERP systems.

Consolidating supplier onboarding processes into a single workflow and offering one log in for all day-to-day collaboration activities are important first steps. Centralized IAM will tighten cybersecurity by reducing the attack surface. Meanwhile, streamlining access to information will make users more productive, and expanding system-to-system integrations will eliminate awkward, error-prone

manual processes. And as AI matures, it will pervade workflows to improve accuracy, efficiency, and ease of use.

Organizations that can overcome the inefficiencies inherent in complex supplier collaboration processes will reap the benefits of a more cost-effective business, superior risk management, and highly engaged and enthusiastic suppliers – the difference between industry leaders and also-rans.

**Learn how OpenText
can secure and empower
your entire digital
ecosystem.**

1 “The Business Value of OpenText Digital Supply Chain Solutions,” by Harsh Singh and Simon Ellis, Business Value White Paper sponsored by OpenText, Oct. 2023.