

# DESCARTES™

## GETTING MORE FROM THE PURCHASE-TO-PAY JOURNEY:

### BUILDING ON INFORMATION FLOW TO GAIN GREATER SUPPLY CHAIN INSIGHT



# P2P



## CHAPTERS

Introduction

Digital Connectivity

Collaboration

Analysis and Measurement

The Holistic Perspective

Value Across The Enterprise

Customers That Got It Right

Descartes EZ Collaboration & GLN

[Click here to get started](#) ▶



# Getting More from the Purchase-to-Pay Journey

The simple purchase order is a contract fundamental to trade. This basic document can be said to be the critical fulcrum of business—an order is placed, a product or service is delivered in full or in part, and payment is remitted. As purchase orders are received, acknowledged, and fulfilled, connectivity is established as data moves along the value chain from business-to-business.

What if there was a way to add on to this critical stream of procure-to-pay (P2P) of information to do more? What if a company could add to the fundamental purchase-to-pay data pathway and layer on inbound visibility, customs and security filing compliance, advanced transportation management, and ultimately answer the pressing consumer question of “where’s my stuff and when will I get it”?

Leading companies are doing just this. In fact, with competition tight and consumer expectations higher than ever, success may hinge on how well companies can build upon the existing information flow of purchase-to-pay connectivity to do more.

The key is to do it well with the right technology and the right logistics network.

In this eBook, we will explore how to expand upon the basic purchase to pay process by enabling:

- Digital connectivity to suppliers
- Collaboration across trading partners
- Analysis and measurement of supply chain performance

In addition, we will identify what better P2P processes and inbound supply chain visibility means to various organizational members such as procurement and purchasing departments, logistics and supply chain departments, and international logistics operations.

---



*The key to unlocking valuable information stored within the P2P process is leveraging the right technology and the logistics network*

## CHAPTERS

▶ Introduction

Digital Connectivity

Collaboration

Analysis and Measurement

The Holistic Perspective

Value Across The Enterprise

Customers That Got It Right

Descartes EZ Collaboration & GLN

# Digital Connectivity

## Why Digital Trading Partner Connectivity is Critical

Digitization is the first and most basic step toward effective connectivity, improved performance, and greater insight. It is the critical, prerequisite to better supply chain connectivity, visibility, and cross-border compliance.

### THE CHALLENGE



Despite the surge in information digitization in business, 60 percent of information exchanged between trading partners is still manual. The cost of a single, manual purchase order can top \$100 (Source: Gartner) so converting to electronic processes is critical to boosting the bottom line.

However, digital connectivity is more than simply converting manually-driven and expensive P2P processes. Getting to a streamlined, effective, digitally connected process requires selecting and implementing the right technology platform.

*Digitization is the first critical step toward end-to-end supply chain connectivity. It's critical to think beyond basic digitization and to look long term for an extensible solution.*

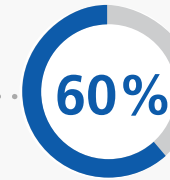
### THE SOLUTION



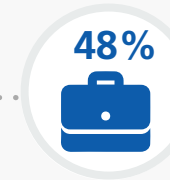
Deploying a solution that not only digitizes transactions with trading partners with varying capabilities, but one that is extensible and that can do more.

The key to successfully digitizing the P2P process is choosing a flexible, cloud-based, interoperable web and wireless logistics application that executes and manages virtually every step of the inbound supply chain and buying process.

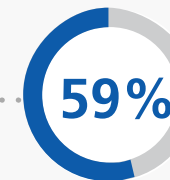
The right solution should include capabilities for real-time interaction, minimize reliance on manual and paper-based procedures, drive down transaction costs, reduce lead times, eliminate errors, improve vendor relationships, and support advanced supply chain collaboration.



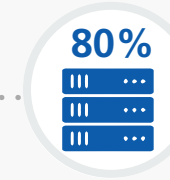
**60%** of supply chain information is required within a day and 40% is needed within one hour (Source: Aberdeen)



**48%** of executives strongly feel that their business is not fully leveraging analytics and connectivity (Source: Dun & Bradstreet/Forbes)



**59%** of IT executives believe that poor integration is damaging their organization (Source: (Digital Supply Chain))



**80%** of most companies' data resides outside of its four walls (Source: Gartner)

## CHAPTERS

Introduction

▶ Digital Connectivity

Collaboration

Analysis and Measurement

The Holistic Perspective

Value Across The Enterprise

Customers That Got It Right

Descartes EZ Collaboration & GLN

# Collaboration

## Enabling Better Communication Across Trading Partners

Supply chains by their nature are interactive as goods pass from one party to the next. To uncover key insights that improve performance and reduce costs, trading partners must communicate and collaborate effectively.

### THE CHALLENGE



Collaboration among supply chain partners is often hampered because too often information is “locked” in internal systems. Multiple one-off integration applications create internal silos housed in unconnected systems. Silos inhibit supplier and logistics performance and lead to duplicate data entry between companies or departments, cause inefficiency, and result in poor financial performance.

Couple these issues with customer expectations to know “where’s my stuff and when will I get it,” and with constantly evolving customs requirements, and the case for better collaboration is clear. Effective B2B collaboration must go beyond simple communication connectivity to true transactional data exchange built on a “logic” around the information flow.

### THE SOLUTION



Market leaders are tapping into large, connected networks to enable better collaboration through data sharing with a layer of business logic and smart applications. Configurable and customizable interactive workflows and pre-built business rules at the regional or trading partner level helps proactively flow information and product from purchase order to proof of delivery. For example, if a company knows if a shipment will be arriving later than the original ETA, demurrage fees can be minimized.

Case management from a centralized portal related to a purchase order or message type is also critical to enable communication between trading partners. These comprehensive solutions enable internal collaboration across functional areas and systems as well as across multiple trading partners including suppliers, freight forwarders, customs brokers, government agencies, and logistics and procurement teams.

## CHAPTERS

Introduction

Digital Connectivity

▶ Collaboration

Analysis and Measurement

The Holistic Perspective

Value Across The Enterprise

Customers That Got It Right

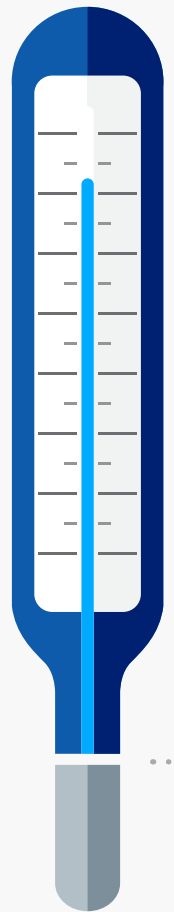
Descartes EZ Collaboration & GLN

# Analysis and Measurement of Supply Chain Performance

## What Gets Measured, Gets Done

Metrics are keenly fundamental to the success of an organization. They are quantifiable, measurable, and actionable and closely tie to business goals and targets. With 48 percent of executives noting that their business is not fully leveraging analytics, there is a clear opportunity to improve today's supply chains by establishing, applying, and measuring relevant Key Performance Indicators (KPIs). Tracking supply chain KPIs can uncover significant insights from the P2P process.

### SUPPLY CHAIN KPIS



- ..... **Quantifiable**
- ..... **Measurable**
- ..... **Actionable**
- ..... **Tied To Goals**



## THE CHALLENGE



Failing to establish the proper metrics can result in a number of serious problems including poor inventory management and stock outs, production disruptions and long lead times, and an overall inability to pinpoint frequent points of failure which results in the same problems happening over and over again.

*With the right KPIs, businesses can make intelligent, metrics-driven decisions.*

## THE SOLUTION



The key to an effective metrics program is implementing a comprehensive exception driven logistics solution that can identify errors and weakness, root out inefficiencies, and anticipate problems while also highlighting successes that can form the basis for ongoing improvement.

Establishing, monitoring, and managing KPIs and other analytic data via a built-in case management tool helps the organization root out inefficiencies. It identifies late purchase orders, matches lading quantity vs quantity ordered, displays carrier and delivery delays, provides an overview of current purchase order status, and resolves stakeholder discussion and logged exceptions.

Metrics tracking is an essential tool for logistics organizations that want to improve their own and their trading partners' performance through continuous improvement.

## CHAPTERS

Introduction

Digital Connectivity

Collaboration

▶ Analysis and Measurement

The Holistic Perspective

Value Across The Enterprise

Customers That Got It Right

Descartes EZ Collaboration & GLN

# The Holistic Perspective

## Considering the Big Picture

Once a company has enabled digital connectivity with suppliers, deployed collaboration across trading partners, and implemented effective analysis and metrics, it has set the stage to enable a holistic, and proactive supply chain.

Market leading companies are expanding on the basic P2P pathway to go beyond automated invoicing, purchase order acknowledgments, and purchase order change updates. They are leveraging the P2P pathway to create a holistic process to do more— to optimize inventory levels, centralize supply chain data, connect ERPs and other platforms, decrease fulfillment lead time, deliver status updates, and route trucks all the way to the point of delivery.

Best-in-class businesses are taking advantage of effective digital connectivity to access and use information from outside of their company. This allows them to enhance customer service, track freight and parcels as they move along the supply chain, enable customs compliance, identify points of failure, adapt operations, and ultimately drive increased revenue and reduce costs.

*A key benefit of data re-use is the ability to leverage purchase order line-item detail for customs clearance and security filings and marrying this information with tariff data to ensure compliance.*

## Optimizing the P2P Pathway



## CHAPTERS

Introduction

Digital Connectivity

Collaboration

Analysis and Measurement

▶ The Holistic Perspective

Value Across The Enterprise

Customers That Got It Right

Descartes EZ Collaboration & GLN

# Value Across the Enterprise

## The Benefits of Enhanced P2P Processes and Inbound Supply Chain Visibility

Mining the P2P pathway uncovers actionable insights that will benefit every area of the supply chain organization. Leveraging this information improves customer satisfaction, increases revenue, and reduces costs.

### Procurement and purchasing departments

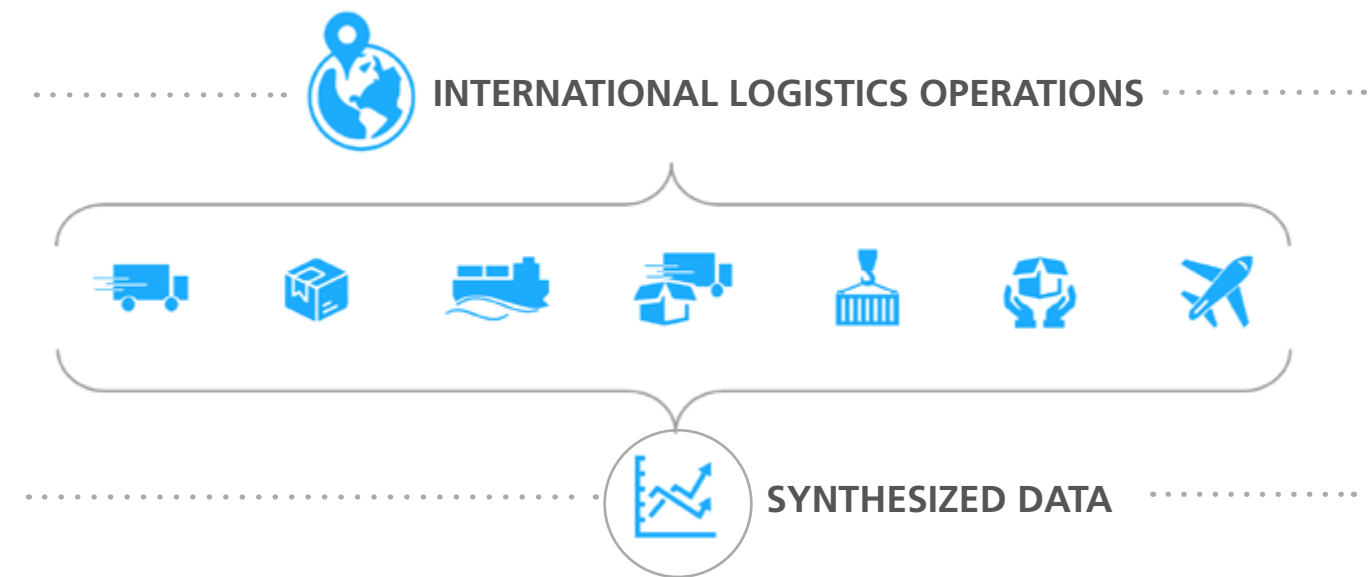
Managing the purchasing life-cycle is challenging. From purchase order creation to acknowledgment, changes, receipt, invoicing and payment, the labor burden and potential for errors can be substantial. Interaction with multiple trading partners and the varying capabilities of business compound the challenges.

Deploying a digitally connected logistics solutions enables companies to automate order processes with suppliers of all sizes and at every level of technical sophistication regardless of message type, format or unique business processes. With the right solution, businesses can reduce labor, minimize duplicate data entry, drive down transaction costs by as much as \$80 per purchase order, track and approve purchase order change requests, and minimize blocked invoices and overpayment.

### Logistics and supply chain departments

Gaining insight from the P2P process helps improve logistics and supply chain performance management by enabling companies to collaborate internally and externally and foresee order failures before they happen. Connecting with trading partners to exchange information seamlessly and reliably drives delivery performance, maintains high levels of customer satisfaction, and better manages logistics processes.

Businesses can reduce inventory with enhanced planning, collaboration and visibility while streamlining operations in the warehouse. They can boost shipment status visibility to improve production planning and align cross functionally between operations, IT, sales, marketing, and finance. They can improve margins by improving event management with suppliers to reduce uncertainty and the need for safety stock.



### International logistics operations

Global operations require a platform that enables multimodal, inter-enterprise electronic data and document exchange. Effectively managing data semantics, message delivery, and transformation of data pertaining to regional or global operations and the ability to work across wired and wireless technologies is crucial in international logistics.

The right solution enables companies to collaborate with freight/customs brokers via a web application for compliance and to optimize shipping, security filings, and customs documentation. Businesses can track multimodal shipments, keep pace with tariffs, and minimize the risk of doing business with denied parties. It also provides industry leading electronic management of commercial, logistics and regulatory documents, including air, ocean and truck messaging standards

## CHAPTERS

Introduction

Digital Connectivity

Collaboration

Analysis and Measurement

The Holistic Perspective

▶ Value Across The Enterprise

Customers That Got It Right

Descartes EZ Collaboration & GLN

# Customers that Got It Right



**The Company:** Carestream Health is a dynamic global company with over 100 years of leadership. They are a worldwide provider of medical imaging systems and healthcare IT solutions, X-ray imaging systems for non-destructive testing, contract manufacturing / toll coating for precision films and electronics markets.

**The Challenge:** With offices in 170 countries and 1,500+ vendors, Carestream needed a technology strategy to simplify complex P2P workflows and global inbound logistics processes. This required replacing manual practices for purchase order creation to acknowledgement, changes, receipt, invoicing, and payment and fully automating e-invoicing compliance.

**The Solution:** Carestream implemented the Descartes B2B Collaboration solution to automate order management throughout the buying process with suppliers of all sizes, and to meet EU compliance obligations by transmitting electronic invoices to suppliers.

**The Results:** The Descartes solution simplified Carestream's global purchasing, inbound visibility and EU e-invoicing compliance obligations. As a result, the company realized approximately US \$400,000 in annual savings by automating 38,000 invoices and saved nearly 20,000 hours of productive time annually with fewer blocked invoices.

**The Company:** Kodak is a technology company focused on imaging. They provide hardware, software, consumables, and services to customers in graphic arts, commercial print, publishing, packaging, electronic displays, entertainment and commercial films, and consumer products markets.

**The Challenge:** Kodak required a solution that could standardize processes and collect information from a central system. Previous B2B integration efforts proved to be costly and required substantial IT bandwidth to deploy

**The Solution:** The company implemented the Descartes EZ Collaboration™ solution which centralized their supply chain data and directly populated Kodak's SAP platform. The solution enabled vendors to share a common labeling system which speeds receiving.

**The Results:** Kodak saved more than \$1 million in annual labor cost savings by reducing blocked invoices by 25,000 and automating 120,000 invoices annually saving 12,000 person-hours per year. The Descartes solution also ensured 100 percent acknowledgment of purchase orders and purchase order changes.

## CHAPTERS

Introduction

Digital Connectivity

Collaboration

Analysis and Measurement

The Holistic Perspective

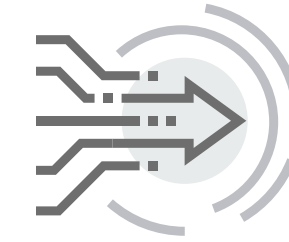
Value Across The Enterprise

▶ Customers That Got It Right

Descartes EZ Collaboration & GLN



# About Descartes EZ Collaboration & Descartes GLN



Descartes B2B™ EZE Collaboration is a cloud-based integration and applications platform that enables companies to seamlessly connect to customers, suppliers, manufacturers, carriers, intermediaries, and networks regardless of IT capabilities, communications environment, data standards or unique business processes.

The solution's flexible turn-key structure enables rapid on-boarding of new trading partners and can easily accept a broad range of message types. The solution reduces manual processes and minimizes transaction costs across the entire value chain.

## Extensibility of the solution is key differentiator

The Descartes platform is unique in the marketplace with its extensible foundation that provides scalable, end-to-end supply chain connectivity for all multimodal supply chain and logistics processes both domestically and worldwide. Connectivity to Descartes Global Logistics Network™ (Descartes GLN™) enables business not only to digitize and perform P2P functions, but also to optimize the flow of goods.

Descartes' platform is unique in the marketplace. A continuously growing community of connected parties in more than 160 countries leverages Descartes' broad array of connectivity, document management, and community services. The extensible foundation of the Descartes solution provides scalable, end-to-end connectivity for all multimodal supply chain and logistics processes both domestically and worldwide.

## Improve operational efficiency

- Save up to 78 percent by automating order management, data exchange and supply chain processes
- Reduce lead times
- Minimize errors, reduce chargebacks, and standardize data
- Improve inventory accuracy, and delivery performance
- Route trucks and comply with hours of service requirements

## Enhance visibility

- Gain visibility to international shipments including purchase orders, manufacturing, import, and shipment status
- Monitor supplier performance
- Enable real-time load tracking



## Enable connectivity

- Connect to multiple platforms including ERPs, ecommerce market places, and internal systems

## Maintain compliance

- Comply with customs requirements and security filings

## CHAPTERS

Introduction

Digital Connectivity

Collaboration

Analysis and Measurement

The Holistic Perspective

Value Across The Enterprise

Customers That Got It Right

▶ Descartes EZ Collaboration & GLN

# About Descartes

Descartes (Nasdaq:DSGX) (TSX:DSG) is the global leader in providing on-demand, software-as-a-service solutions focused on improving the productivity, performance and security of logistics-intensive businesses.

Customers use our modular, software-as-a-service solutions to route, schedule, track and measure delivery resources; plan, allocate and execute shipments; rate, audit and pay transportation invoices; access global trade data; file customs and security documents for imports and exports; and complete numerous other logistics processes by participating in the world's largest, collaborative multimodal logistics community.

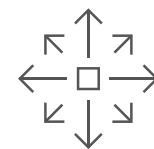
Our headquarters are in Waterloo, Ontario, Canada and we have offices and partners around the world.

Learn more at [www.descartes.com](http://www.descartes.com), and connect with us on [LinkedIn](#) and [Twitter](#).



The Descartes Systems Group Inc.  
120 Randall Drive, Waterloo, Ontario, N2V 1C6, Canada  
Toll Free 800.419.8495 | Int'l 519.746.8110  
[www.descartes.com](http://www.descartes.com) | [info@descartes.com](mailto:info@descartes.com)

Uniting the People & Technology  
That Move the World



Network.



Applications.



Content.



Community.

© The Descartes Systems Group Inc. All rights reserved.



## CHAPTERS

Introduction

Digital Connectivity

Collaboration

Analysis and Measurement

The Holistic Perspective

Value Across The Enterprise

Customers That Got It Right

Descartes EZ Collaboration & GLN