

Supplier Portal Checklist

Six features that deliver added value to your global operations



Not All Supplier Portals Are Created Equally

A self-service supplier portal can make a huge impact on your global financial organization. You can significantly reduce—or even eliminate—the time spent fielding routine calls from suppliers with questions about invoices and payments. In addition, the best solutions help you reap a broad range of additional benefits. You will be able to:

- **Capture** a higher percentage of early payment discounts.
- **Increase** compliance with your supplier onboarding procedures.
- **Reduce** the risk of supplier fraud or supply chain disruptions.
- **Decrease** your cost per supplier, per invoice and per inquiry.
- **Improve** supplier satisfaction around the globe.
- **Gather** information about your suppliers for better-informed decision making.
- **Promote** timely communication with your suppliers for better negotiated prices.

Not all supplier portal solutions are created equally. Some carry a heavy-duty price tag and involve fees based on how many suppliers you have. The costs can add up quickly if you are using the portal broadly for maximum impact across your global operations. You may benefit from a more straightforward software licensing agreement that isn't tied to your supplier volume, so review your options carefully. In addition, some portal solutions can be costly to implement. They tend to be overly complex, require a significant commitment of information technology resources and can take many, many months to integrate with your existing systems.

Fortunately, though, today there are extremely effective alternatives. Self-service solutions that work stand-alone—independent of your procurement and payment platforms—require no integration. They simply process a data delimited file from each of your systems nightly and make up-to-date information available to suppliers the next morning. As a result, these new-breed solutions are quick and easy to deploy and require little, if any, involvement by your information technology team. For an integrated solution, look for a solution with built-in adapters that synchronize data with your existing ERP through standard APIs, eliminating the need for costly software development.

So be a careful shopper. When you evaluate portal technologies, look for simple, cost-effective, easy-to-deploy solutions that incorporate the key features described in this paper.

54%

More than half of the companies surveyed by apexanalytix in its Technology Benchmarking Survey still rely on manual data capture during supplier registration rather than using a portal, leaving them open to gaps, fraud and errors.

01

Self-Service Inquiry

Studies show the typical corporation will dedicate 15 to 20 percent of its AP headcount to answering calls that involve routine questions from suppliers. Is my invoice in the system? When do you plan to pay it? Which invoice does the check I received apply to?

With a self-service portal, suppliers around the globe can get answers to questions on their own, 24 hours a day, 365 days a year, without intervention from your team. The best portal providers will also back their solution with a global customer care center that supports both you and your suppliers.

The same portal technology can be used by your own internal staff as a ready source of information if questions crop up about a supplier account. They simply log in for access to a broad range of useful data. The efficiencies and financial savings can be significant—enabling you to reduce your overhead and reallocate your call center staff to higher-value activities.

Self-service capabilities can allow companies to experience a total return on their supplier portal investment within six months. Based on real-world examples, suppliers readily adopt portal technology and companies quickly accrue benefits. An average company is able to eliminate tens of thousands of phone calls almost immediately after portal adoption.

02

Online Registration

Using a portal for online supplier registration can take the value of your self-service application to an even higher level. You will be able to automate labor-intensive onboarding processes and can deliver cost savings to your global accounts payable, master data and procurement teams.

From an email invitation or website address, suppliers simply use their browser to access your secure supplier portal, create login credentials and enter the information you require of all new suppliers. They can even upload regulatory certificates, service-level agreements and other types of forms and disclosures. The best solutions also include alerts and reminders delivered via mobile phone, telephone, email or text—all available at no additional cost to your company or its suppliers.

Make certain the supplier portal you select allows you to configure the registration process and require suppliers to enter or upload ALL baseline information before being added to your systems. This seemingly simple step can help you reduce a number of common risks, as described in this scenario shared by an international publishing company:

Prior to adopting an online supplier registration process, we required all new suppliers to submit a paper-based enrollment form. But missing data was the norm. Often we set up the supplier in our ERP system anyway in order to get a pending invoice paid. The lack of complete information led to duplicate supplier records and payments, inaccurate reporting and registration of fraudulent suppliers.

Companies participating in the apexanalytix Compass™ Benchmarking Survey confirm the potential risk of incomplete or inaccurate supplier data. They attribute 30 percent of all their duplicate payments to duplicate records in their vendor master.

03

Reporting

With a supplier portal and online registration, you will be able to capture a wide range of information about invoices, payments and suppliers. So look for a portal solution with built-in reporting capabilities. Well-constructed reports will provide the data needed to make better-informed decisions and drive significant cost savings across your global operations. For example, both you and your suppliers should be able to access a cash forecast that provides visibility into unpaid invoices and scheduled payment dates. You also should be able to readily generate an “on hold” report showing invoices that can’t yet be released for payment and why, including steps needed to move the payment along.

04

Support for Compliance and Risk Management Initiatives

A best-in-class supplier portal solution will incorporate features that can reduce your risks and support important compliance initiatives. Here are a few examples:



Automatically validate data. You should be able to eliminate what is typically a costly and time-consuming manual effort by validating tax identification numbers, banking information, addresses and other critical supplier data automatically.



Protect your vendor master. With a standardized, online supplier registration process, you should be able to identify duplicate suppliers and check addresses against international standards—before you add the company to your master file.



Identify risky suppliers. Make certain your portal can be extended to include fraud detection capabilities so you can ensure your company is protected. You should be able to determine whether firms represent a potential risk prior to adding them to your supplier master—for example, automatically checking them against United Nations trade sanction lists and other prohibited supplier databases. You should also be able to get alerts of approved suppliers, risky suppliers and the results of your fraud screenings so you can take immediate action if needed.

05

Cash Discount Management Capabilities

The apexanalytix Compass Benchmark Survey shows that the most successful companies capture about \$10 million in supplier discounts for every \$1 billion in annual spending. Using the right supplier portal can put your company on the path to similar savings levels. You will be able to easily offer discounted early payments and use the portal to communicate the information to your suppliers. You can assign discounts based on rules you establish—proactively sending email alerts to companies enabling them to opt in for early payment. Suppliers who want to improve their cash flow can select specific invoices for early payment based on your terms, or elect discounts for all current and future invoices as a group. They benefit from faster payments, while you benefit from a continuous savings stream.

Companies using a supplier portal to manage cash discounts typically discover they have much greater flexibility than they had via their payment platform. Most ERP systems, for example, are rigid in their administration of discount terms. One example: Discounts typically cannot be taken if the first discount date is missed. A supplier portal, though, can help you proactively capture missed discounts dynamically, based upon the number of days remaining in the term. A portal also enables you to overcome the hurdle of incomplete discount information in your vendor master file. Most suppliers have discount terms noted in their contracts, but only a small percentage of those terms typically make their way onto a company’s vendor master. A supplier portal that includes cash discount management capabilities can assign terms to invoices, even when no terms exist in your master file.

An effective supplier portal can reduce the time that both you and your suppliers spend on invoice processing and administration. Effective portal technology will allow your suppliers to submit electronic invoices directly to a buyer for approval and payment authorization. This capability can help you and your suppliers reduce manual effort and drive down the chance of errors and delays as well as reduce costs.

The Cumulative Benefit

Best-in-class, self-service supplier portal solutions will undoubtedly deliver broad benefits to your bottom line. You will be able to lower your costs significantly, readily access accurate data on your supplier community and make smarter decisions. You will also be able to more readily benchmark your operations for continuous improvement. When you rely on manual processes, you likely have no measure of the resources you expend to register and maintain a supplier. The paradigm changes with a supplier portal, though, since you have ready access to data. Automating your supplier interactions, reviewing data and focusing on new efficiencies enabled by a portal can help you reduce a wide range of costs across your global operations, including the cost of supplier inquiries and registration, vetting and validation, and protecting your operations against fraud and risks.

To Find Out More

To learn more about supplier portal technology, call apexanalytix at +1 800-284-4522.



About the Author

Walt Kristick, Senior VP of Applied & Advanced Technology and Partnerships, provides leadership of our Archimedes Center of Excellence team which provides predictive analytics, robotic process automation and cognitive services in support of apexanalytix clients, operations and software solutions. He also spearheads our Partnerships & Alliances efforts to expand our market presence and to introduce complimentary products and services that increase value for our clients.

Walt has a wide-ranging background in data management and analysis, infrastructure management, private and commercial application software development, business process reengineering and IT strategy. Walt joined apexanalytix from iQor, where he was Senior VP of Technology. Prior to iQor, Walt served as CIO at Receivables Management Services and as a Managing Director at Marsh. He was also an Advisory Consultant at several technology consulting firms. Walt holds a B.S. in business administration from Boston University and Master's from Pennsylvania State University.

apexanalytix revolutionized recovery audit with advanced analytics and the introduction of firststrike overpayment prevention software. Today, apexanalytix leads the world in supplier management innovation with apexportal and smartvm, the most popular supplier onboarding and compliant master data management solution available. With over 250 clients in the Fortune 500 and Global 2000, apexanalytix is dedicated to providing companies and their suppliers the ultimate supplier management experience. To learn more visit www.apexanalytix.com, email apexinfo@apexanalytix.com or call +1 800-284-4522.

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