

A background network diagram consisting of numerous blue nodes of varying sizes connected by thin, light blue lines, creating a complex web of connections across the entire page.

Spend Matters[®]

apexanalytix
VENDOR ANALYSIS

2022 Update

March 2022

In the [market for SXM solutions](#), [apexanalytix](#) has a peculiar place. Unlike more traditional supplier management vendors, it offers recovery audit services as its primary business — and it does so for more than 250 clients. apexanalytix has been doing this for more than 30 years and, to support that business, it developed its own solution. And, 10 years ago, it started to sell the solution to customers to enable them to use it as a preventive measure.

apexanalytix is, therefore, “eating its own dog food,” and the nature of the audit recovery business means that the solution has some of the deepest capabilities of all other SXM solutions. In fact, it has ranked the highest for functional capability in our [Supplier Management SolutionMap](#) since its inception.

But that doesn’t mean apexanalytix has sat still. Rather, it has continued to push its platform in new directions, and even expanded its scope beyond what we would normally consider “supplier management” to encompass advanced controls and fraud prevention mechanisms. In this Spend Matters PRO Vendor Analysis, we provide an end-to-end update on the apexanalytix offering for 2022.

Here’s why apexanalytix matters:

- To the market: apexanalytix has very deep SIM capabilities, including the largest number of third-party integrations for data verification. These support broader SXM and supply chain financing (SCF)/dynamic discounting capabilities
- To customers: apexanalytix provides a broad range of features to effectively and efficiently manage suppliers (MDM and lifecycle) by leveraging its network and customer-specific requirements allowing customers to improve compliance/reduce risks and unlock new value through SCF
- To potential buyers: apexanalytix’s solution is a way to quickly and efficiently create golden records by leveraging the existing high-quality (from a data perspective) network and continuously monitor and enhance critical supplier-related information and management processes

Quick Facts: apexanalytix

- Founded: 1988
- HQ and offices: HQ in Greensboro, North Carolina (USA), regional offices in Milton Keynes (UK) and Hong-Kong, Retail Center in Bentonville, Arkansas (USA)
- Ownership and funding: private, jointly owned by Carousel Capital, a private equity firm based in Charlotte, NC (USA), and executive officers
- Employees: 380
- Customers: 250+ Fortune 500 and Global 2000 (150+ for SXM solutions and 180+ for recovery audit)
 1. Examples: Verizon (client for 25 years), Pepsi, JP Morgan Chase, UPS, Delta, Starbucks, AstraZeneca, Cedars Sinai, Northwestern Medicine, Independence Blue Cross, ConocoPhillips, Toyota
 2. Industries of focus: Financial services, High-tech., Entertainment, Travel, Transportation, Manufacturing, Healthcare, Pharma, Food & Beverage, Retail
 3. Regions: 85% in North America, 13% in Europe, remaining 2% in South America and Asia
- Active users: 7.7M Suppliers
- Website: apexanalytix.com
- Modules: include supplier master data management, supplier information management, supplier lifecycle management, supplier discovery, supplier risk, supplier performance
- Integration with:
 1. ERPs and financial systems: SAP R/3, ECC and S/4 HANA, [Oracle's eBusiness suite](#), JDE and PeopleSoft), Workday, Lawson, MFG Pro...
 2. P2P/AP systems: Ariba, [Coupa](#), [Basware](#) and [Tungsten](#)
 3. Multiple (850+) third-party data providers

BACKGROUND AND OVERVIEW

The audit recovery business aims at identifying and recovering losses attributed to outstanding credits, duplicate payments, pricing errors, contract compliance gaps and tax errors. Therefore, companies providing such services need to have a deep understanding of suppliers, of transactions (and of related contracts) and of rules that pertain to payments to ensure compliance and detect fraud.

This explains the strength of apexanalytix's SXM solution in terms of integration (to collect transactions from other systems), of supplier information management (SIM) (to collect and validate data) and of artificial intelligence (to detect discrepancies and suspicious transactions/behaviors).

Secondly, the fact that apexanalytix uses its own solution to deliver such services means that supplier-related data is critical to the firm in terms of exhaustivity and trustworthiness. Also, it has been doing this for 33 years and therefore has accumulated deep data on a large number of companies (more than 55 million) and it is making that data available to customers of the solution in the form of golden records.

HIGH-LEVEL SOLUTION OVERVIEW

apexanalytix solution encompasses more than SXM-related processes. The module map is as follows:

- apexrecovery: covers areas like accounts payable (AP), pricing compliance, contract compliance, pre-escheatment, sales & use tax. In 2021 apexanalytix recovered or prevented \$8.4 billion USD of overpayment
- firststrike: encompasses capabilities for controls for AP and suppliers (risk analysis), fraud detection, retail audits, and reporting & analytics. Using this and other products, apexanalytix protects \$8.1 trillion of spend annually!
- apexportal: the supplier-facing portal covers SXM elements (registration, discovery, risk, performance, document management.) and also non-SXM capabilities like supply chain financing/dynamic discounting, contract management and invoicing. 7.7 million suppliers are connected to the portal
- smartvm: the supplier repository/network of 55 million golden supplier records and also SIM-related capabilities (integration with 850+ sources)

SUPPLIER DISCOVERY AND REGISTRATION

The solution supports discovery of suppliers by searching three data sources: the buyer's existing suppliers, pre-registered suppliers ("I'd like to do business with you") and the repository of 55 million golden records. These records are maintained by apexanalytix teams

and solutions (see SIM below for more). It is also possible to search internal applications that customers have and that may also include supplier repositories.

Once a customer has found a potential supplier on the network or because they need to create a new supplier, the onboarding/registration process can start to collect further information. The (self-)registration process guides suppliers through dynamic user journeys that can be configured to each customer's specific needs.

SUPPLIER INFORMATION MANAGEMENT (SIM)

Supplier information on the network is the result of the usage of the solution by apexanalytix for its audit recovery business and by all its customers. Information is validated by [apexanalytix](#) teams and against 850+ connected data sources and 180K+ preconfigured business rules. Whenever data is changed, it is verified, updated, and, as appropriate, communicated to all customers who can define their own rules for (auto-) validation.

There are different types of standard but configurable profiles in the solution. The depth of the profile depends on the subscriptions of the customers. Profiles can be pre-filled based on existing golden records and suppliers only need to update information and/or enter customer-specific information.

From a validation/verification perspective, apexanalytix is broad and deep. The connected data sources cover commercial/tax registration in many countries, go down to bank account ownership verification, and documents that are part of the profiles are checked using [IBM](#) Watson to ensure that they are what they are supposed to be.

SUPPLIER PERFORMANCE AND RISK MANAGEMENT (SPRM)

apexanalytix also provides customers with supplier management capabilities. Risk and performance are covered via third-party integrations, ERP/system integration and survey capabilities. The solution also leverages AI for SPRM to, among other things, analyze sentiment on suppliers by watching news sources and social media. Such signals are processed by the AI to filter the noise, categorize and score. Here too, apexanalytix uses IBM's Watson and it has worked with IBM to define advanced NLP-based filters to ensure that only relevant information is taken into account.

Scoring of suppliers also uses community elements to detect potential fraud and opportunities. One area where apexanalytix differentiates itself (because of the number of suppliers on the network and also because it has visibility on actual transactions worth

\$8.1 trillion linked to its audit recovery business and to the user community) is the ability for the solution to offer predictive recommendations on payment terms and on likelihood of acceptance of supply chain financing by suppliers.

INTEGRATIONS

Audit recovery activities require a vast amount of data on suppliers. And the veracity of that data is critical. The same applies to supplier management. Therefore, apexanalytix shines in terms of out-of-the-box integration capabilities. We already mentioned the connectivity to 850+ data providers. In addition to that, the solution can connect with a customer's internal system (ERP, finance) and with other procurement solutions, since these are the source of transactions (orders, invoices, etc.) that are required for having full visibility on relationships and because these systems consume supplier data managed in apexanalytix.

ROADMAP

The roadmap consists of enhancing the solution in terms of platform, data sources, integration and implementation.

From a platform standpoint, apexanalytix is currently working on the full migration of its firststrike solution to apexportal, which will serve as its central development platform going forward. The goal is to create a unified user experience, faster implementation, but, more importantly, better analytics, controls, automation and more transparent supplier collaboration through the portal.

This integration is also a prerequisite to other enhancements. For example, a new investigations workbench will provide buyers with access to everything they need (from supplier identity intelligence to external credit, risk or vulnerability data to media monitoring) in a single dashboard. Then, relevant data can be collected to build cases, create action items and share access (internal and external) to further pursue cases.

Data sources enhancements:

- Diversity: over 100 new diverse supplier data sources being added to enrich and validate supplier diversity status
- Bank account ownership: countries will be added to cover more regions
- Enhancements to tier 2 data capture: (already available via spreadsheet upload) to rollup elements in reports

Quick implementation package: apexanalytix is working on a three-week deployment solution to allow clients to very quickly address control issues with a best-practice supplier data validation and enrichment solution. It will be a buyer-facing only version of the full supplier-facing portal. Buyers capture data using their existing processes, enter the data in the buyer-facing portal, and can then benefit from all the best-practice validations, enrichments and out-of-the-box workflow controls that the solution contains.

Integration with multi-domain MDM solutions is another area that will see improvements. Most apexanalytix customers use the solution as a supplier master connected to their ERPs. However, they may have multi-domain MDM tools (e.g. Stibo, Informatica, TIBCO/Orchestra Networks, etc.) to handle customers and parts. And, such customers want suppliers to be integrated to their ERPs via these solutions and not directly.

COMPETITORS/MARKET ANALYSIS

The competition that apexanalytix faces is large if we consider the broader SXM competitive landscape. It faces competition from [suite providers](#), [SXM providers](#), and [SIM specialists](#).

With regards to suite providers and SXM providers, and based on our recent [SolutionMap update](#), apexanalytix is above the benchmark on 55% of all requirements for the SXM map and scores the highest on 26% of the requirements. It is due to the depth of its solution in terms of supplier profiles and data validations (via rules and third-party data providers). The fact that apexanalytix is also an audit recovery company explains, in part, that level of attention to capabilities pertaining to compliance and fraud prevention.

In addition to these features, the content and insights that the company has and that customers benefit from via the solution is unique because it is powered by the millions of transactions that apexanalytix analyzes as part of its service offering.

SUITE PROVIDERS

Among suite providers, the ones with a network (SAP Ariba, Coupa, [Jaggaer](#), [Zycus](#)) are the most important competitors of apexanalytix. Overall, the suite providers provide a broader functional coverage via their network as they encompass areas that are not part of apexportal. PO collaboration is an example. Sourcing is another.

From a SIM/supplier controls perspective, apexanalytix covers much more elements than the suite providers. Also, apexanalytix's own auditing business depends on the coverage and quality of the data it has on its network. Therefore, it has a double advantage over suite providers in terms of functionality and data.

DETAILED SOLUTION OVERVIEW

Supplier discovery and registration/onboarding

Supplier discovery

Users can search for a potential supplier in the supplier database that contains a massive number of golden records: 55 million.

Another source of potential suppliers is the client-specific database where potential suppliers who want to do business with that client register. During that self-registration process, suppliers provide preliminary information that can, then, be used as search criteria.

The discovery search page allows customers to find suppliers that match multiple criteria like company names, countries, tax IDs, diversity, certifications, etc. Users can access any number of fields in the database. The solution also supports search based on industry codes; apexanalytix provides an ISO code-based taxonomy together with other codes (NAICS, SIC) in order not to rely on proprietary structures that do not necessarily speak to suppliers.

Customers are not limited to search for “new” suppliers present in apexanalytix databases. Users can leverage an API-driven search that will search for suppliers in the customer’s other applications that may also contain suppliers not yet in apexanalytix.

Supplier registration and onboarding

Once a new potential supplier is identified, users can launch the process to collect more details on it. The registration process is configurable (adding fields, adding pages, conditional questions, setting what is mandatory or not, etc.) to ensure that it is tailored to the needs of the organization. For example, the process could be different from one supplier type to another, from one category to another, from one business group to another, from one region to another, and so on. apexanalytix contains a library of 180,000 business rules that helps administrators configure it.

In order to complete the process, suppliers have to log in to the solution. And, on that matter, apexanalytix also offers deep capabilities to ensure that the person who actually logs in is the expected person. The solution goes beyond the basic controls (username, password). It supports multi-factor authentication. The supplier user will get an email with a passcode sent to their work email. This is to check if the person is still employed with the company.

Also, apexanalytix uses artificial intelligence to detect potential security issues. It monitors logging timings to spot suspicious connections (e.g. someone logging in the middle of the night and not during business hours). Locations are also monitored. And there are more checks included in its complex security algorithms.

Once logged in, supplier users can complete or just verify their profile.

SUPPLIER INFORMATION MANAGEMENT (SIM)

When the supplier logs in or gets invited, the solution will first look up the supplier profile in its golden record database and it will automatically append details (e.g. DUNS number, SIC codes) Therefore, the profile is pre-populated, suppliers only need to focus on the customer-specific fields.

Supplier profiles in the solution are, as we noted, a mix of network data available to all customers and customer-specific information. The information contained in the golden records comes from usage by all customers of apexanalytix and, as mentioned, from its own usage of the solution to support its audit recovery business. So, when a new supplier registers for one of apexanalytix's customers, the data that it provides is checked against the 850 external sources that the solution connects with. Data validation is an area where apexanalytix shines.

With regards to documents that are part of a supplier's profile, apexanalytix checks that they are what they are by using IBM Watson to analyze the content and ensure it matches what the document is supposed to contain.

As we have seen, supplier profiles in apexanalytix are extensive, configurable and verified at registration/onboarding stage. The next challenge that pertains to the information in these profiles is to ensure that it is up to date. And to achieve that, apexanalytix leverages its community and technology.

Whenever a supplier registers for the first time in a client's white-labeled portal, the profile is pre-populated by a golden record. The supplier then reviews and adjusts the profile as appropriate. All validations are applied to a record in real time as the supplier makes the update. Then, depending on the outcome of the validations, how the supplier answers onboarding questions, the supplier's industry and other factors, the record is sent to a client-review process. (If the validation fails, the system automatically creates additional reviews that do not occur for records that pass validation.) The client then completes its manual review, feeding the approved record to the ERP, after which the record makes a round trip back to the apexportal.

Simultaneously with the approval and system of record update, apexanalytix's smartvm is updated. Once the client has confirmed the supplier updates, the record is fed into smartvm, which then performs additional analysis for how to score the new data. Using the network, apexanalytix compares the new information to other records for the same supplier at other companies and determines whether or not the golden record needs to be updated. New submissions also affect scoring of each individual golden record data point.

In addition to supplier-driven changes, changes can be initiated by apexanalytix's own

teams who are using the solution to support their audit recovery business. As mentioned, this covers a large number of companies (180+ clients) and, therefore, a large number of supplier records. And, such a business requires apexanalytix teams to audit accounts payable data for all these clients and interact over phone or email or letters with their suppliers to, for example, request statements, and other information. This audit-side activity is also a means to collect new information on suppliers and to update their golden records.

SUPPLIER PERFORMANCE AND RISK MANAGEMENT (SPRM)

Risk management

Due to the nature of its audit recovery business, apexanalytix's solution has leading capabilities regarding fraud prevention. In the previous chapter, we described how data in supplier profiles is managed. This approach participates to mitigate risks of fraud. However, the solution goes deeper than what we have mentioned so far. And, it does so for a very critical set of data elements: banking and payment details.

The solution supports the addition of multiple bank accounts in supplier profiles. Based on banking information (country of bank), the solution will ask for some specific information like routing number, account number. The solution is then able to validate routing numbers and/or SWIFT codes on a global basis for every single bank country in the world.

Also, for the USA, India and Sweden the solution can actually validate the account holders. apexanalytix has API access to these countries' local banking networks to get that data in real-time. For other countries, the solution has another unique feature: a bank through score (apexbankpro bank account confidence score). It is a proprietary technology that will validate the name of the account matching the account number and matching the name of the supplier. apexbankpro provides unique control by confirming whether the bank account is used by the supplier elsewhere within the apexanalytix network, how widely, and for how long. While not as strong of a positive confirmation of bank account ownership as is possible with direct bank integration, this community intelligence provides a level of confidence not available through other methods and made possible by the solution's unique dataset.

The mechanism we described will obviously not tell a supplier that they have entered a fraudulent account. It will only tell approvers and present them a global score highlighting how likely the account number belongs to the supplier or not based on the verifications above and on the data apexanalytix has (coming from other customers using the solution and also from its audit recovery business).

In addition to compliance-related risks, the solution offers a broader set of features to manage risks based on surveys and third-party data sources. The purpose of this is to be

able to take mitigation actions and to segment suppliers based on inherent risks.

Customers are able to configure questionnaires to assess risks of all nature. These can be ad-hoc or recurrent campaigns. Based on the answers at question level (each question has its own weight), the solution can trigger alerts and notifications. Corrective/mitigation actions can also be launched to reduce risk exposure and these action items can be shared with suppliers.

The solution can also integrate risk data from third-party sources like D&B and Rapid Ratings. Customers get access to scores and reports from these sources. Other sources can be configured.

Another element that the solution monitor is reputational risk via sentiment analysis. apexanalytix uses IBM's Watson to analyze news and social media from 300,000 external sources. It has worked with IBM to define advanced NLP-based filters to ensure that only relevant information is taken into account and scored.

All of the risks we mentioned are rolled up in a consolidated dashboard and in each supplier's 360° view. These widget-based dashboards can be tailored to the need of each category of user to display what matters to them and to allow them to tweak the content to their liking.

Performance management

The solution covers performance management in a very similar way to what we have described for risk. Supplier control elements can be related to performance management to then be assessed via surveys. These surveys can be category-specific.

In addition to soft facts (assessments), the solution can measure and assess performance based on hard facts (e.g. OTD, OTIF, ppm, etc.). This requires interfacing with operation systems (ERPs/MRPs) to load the data in apexanalytix. Then, the solution will score suppliers on these elements and roll them up into scorecards.

We mentioned IBM's Watson for sentiment analysis in the context of risk management. The same applies to performance. The same technology can be used to analyze exchanges with suppliers and, potentially, identify further issues/improvement areas or root causes to observed deviations.

Last but not least, apexanalytix is also using its network intelligence to help customers identify opportunities for improvement. We already mentioned how community elements are used to prevent risks (fraud mainly). The same applies to a broader set of elements. For example, payment terms. The experience of apexanalytix is that companies often try to move every supplier to the same payment term. However, the reality is that payment terms vary a lot more by supplier industry than by buyer industry. And apexanalytix has a lot of insight

into specific suppliers, what payment terms they're willing to accept and what payment terms they're not willing to accept. Therefore, they created predictive analytics around the likelihood that a supplier will accept a given payment term.

The same applies to early payments that suppliers would need to support their working capital needs. The solution calculates a cash discount likelihood score that customers can use to intelligently drive dynamic discounting offers or discount payment terms, programs, or other sorts of early payment programs.

SOLUTION ADMINISTRATION

The solution is extensively configurable and comes with lots of content available out-of-the-box. We mentioned in the related sections that customers are able to adapt supplier flows (registration, onboarding, etc.), pages and surveys (RFI, risk, performance, etc.) to their requirements and define their own templates.

Workflows are also an important part of the configuration of the solution. And, here too, administrators have at their disposal a large number of options to configure them in a table (not flowchart, targeted for later this year) display.

Another area of configuration is the business rules that apply to the workflows, surveys, etc. These rules are managed centrally in the business rule engine. It comes with 180,000 pre-built rules. Administrators can also create their own business rules on the fly to reflect changes in their policies going forward or to adapt the solution to regional specificities and requirements. Clients can configure and deploy new business units, countries or regions on their own using the business rules, as can integration partners.

INTEGRATIONS

We have already mentioned and listed integrations with third-party data providers used to enrich/validate information in suppliers' profiles. In this section, we will therefore focus on system integration.

apexanalytix is designed to integrate with any client's systems and to be agnostic of the ERP/P2P system they use. Integrations include:

- SAP ERPs (Certified for ECC & S4/HANA) and Ariba P2P
- [Oracle](#)
- PeopleSoft
- Netsuite
- WorkDay
- Lawson
- JDE Enterprise
- MFG Pro
- BOLO
- [Coupa](#)
- [Basware](#)
- [Tungsten](#)

STRENGTHS

Supplier information management (SIM) and data validation for compliance

The SIM capabilities of apexanalytix with regards to compliance and fraud prevention are unique on the market. They are a mix of features and content. The solution integrates with 850 sources to check/validate/enrich information and the number of sources increases year over year.

In addition, the information on suppliers in the network results from the activity of the other companies (over 150) using the solution with their suppliers and also of apexanalytix's 180+ customers of its recovery audit business. Therefore, the supplier database is way more than just an address book, and the amount of golden records available is impressive and provides value to customers (supplier discovery, supplier data enrichment, supplier data updates) and to suppliers (pre-filled profiles, update propagation to all customers at once, etc.).

Also, the fact that apexanalytix has a large part of its business that uses the solution to identify overpayments and performs AP-related audits has shaped the solution in specific areas. And it goes very deep. For example, controls on banking (up to account ownership) and payments are the deepest we have seen among other SXM solutions.

In addition, apexanalytix employs leading-edge AI technology to detect fraud and compliance issues in terms of behaviors and content. And, the AI approach extends to other SXM processes like risk management to address reputational risks.

Business rules and configuration

Another area that benefits from the dual business model of apexanalytix (software provider and audit recovery services) is the configurability of the solution and the amount of out-of-the-box configurations. The solution comes with 180,000 prebuilt rules that are the result of the experience of using the solution and implementing it with various types of customers. These rules relate to workflows, field validations, global compliance rules, conditional logic in questionnaires, etc.

Although the UI of the administration is not at the level of other SXM providers (no flow chart visualization of workflows, for example, yet), the capabilities to tweak the solution are on par with some of the most configurable SXM solutions. In addition to workflows, administrators can easily create fields, pages, new rules, etc. to ensure that the solution continuously fits with their needs.

Business services

This is yet another benefit of running AP audit services. Customers of apexanalytix's SXM solution can benefit from business services that no other provider can offer. It is because part of apexanalytix teams routinely work with large global corporations to audit accounts payable, contract compliance, escheatment, freight, fraud risks, media expenditures, pricing, retail deals, statements, taxes and more. And, such services can also be offered to the solution's customers, without requiring additional data feeds. Also, the aforementioned activities require them to have deep knowledge and experience, interactions with suppliers of their clients, etc.) and all of the good practices they apply can be shared with the solution's customers.

VOICE OF THE CUSTOMER

apexanalytix is among the customer score leaders in our recent Solution Map updates. It scores higher than average on all but one ("quick deployment") of all the dimensions we take into account. And with regards to "business value," it is actually the highest scoring SXM provider. The scoring is based on the answers of 11 customers.

Key customer quotes on the company/solution's strengths:

- "Thought partners ... apexanalytix takes the time to understand our business needs and supporting technical applications to ensure solutions are well thought-out and deployed effectively."
- "Very flexible tool with the possibility to automate most of the tasks."

It explains that when we asked customers what they would have done differently regarding the implementation of apexanalytix, several said that they would have implemented it earlier had they known what value they would get from it:

- "I wish we would have partnered with apexanalytix sooner. Our Vendor Master environment was challenged for many years ... and we made some poor decisions prior to involving apexanalytix."
- "[We wish that we had] implemented their products earlier than we did. We didn't realize what we did not have prior to this."

Several customers indicated that implementation lasted longer than anticipated mostly due to the fact that the topic at hand (supplier MDM) is not a trivial one, even less when considering the breadth and depth of the solution. Customers also mentioned their own maturity and readiness as hindrances to the implementation.

However, customers all appreciate the collaboration they had with the implementation teams as illustrated in the answers to a question on the best aspect of the implementation project:

- “Working with the teams to find solutions, offering best-in-class suggestions.”
- “apexanalytix met their commitment and their supplier management portal continues to provide value year after year.”

ANALYST SUMMARY

apexanalytix provides customers with unique SXM capabilities. The depth of the solution in terms of supplier controls is remarkable. In addition to features, and because apexanalytix is in the audit recovery business, the information available on its supplier network is another key value driver for customers. This double advantage (features and network data) makes apexanalytix a strong choice for large organizations that want to tackle their supplier (master) data challenge and, at the same time, reduce fraud/compliance risks.

USE APEXANALYTIX WHEN:

- Your organization wants to address supplier data management/MDM, especially when (global) compliance requirements and supplier controls (financial elements) are critical
- Your organization is looking for a high-quality supplier network to discover suppliers and/or enhance its SIM processes
- Your organization wants to get AP-related intelligence to start with supply chain finance
- Your organization needs extensive configurability and, at the same time, a wealth of pre-built rules to choose from