



B2B Managed Services: Driving Value and Improving Business Performance

An interview with Jeff Keefer, Global Director of Managed Services for GXS

Q: How would you describe B2B Managed Services?

A: A B2B Managed Services solution operates as an extension of the company focused on automating supply chain transactions. It includes highly trained and skilled specialists that utilize best-in-class process methodologies for managing and supporting systems and B2B programs. GXS' B2B Managed Services provides a strategic partnership that empowers our customers with the most comprehensive technology to automate and streamline B2B e-commerce transactions, along with expertise and processes for managing B2B programs and connecting with entire trading communities—no matter the location, size or B2B technical capabilities of a business partner.

Q: We often hear about how a B2B Managed Services solution can help a company with its bottom-line by reducing operational costs, but how can it contribute to top-line revenue growth?

A: I think we need to make a distinction between the direct and indirect contributions that B2B Managed Services can have on revenue growth. A direct contribution is easily recognized when we look at the example of the order-to-cash business cycle. More orders coming in and more products being sold directly result in driving top line growth. A Managed Services solution provides a highly available and robust B2B infrastructure that goes far beyond what most companies can achieve internally when it comes to automating transactions in the order-capture process. This is especially evident when it involves connecting a global marketplace that allows companies to sell on an international scale.

Helping companies quickly expand and successfully manage their B2B operations on a global scale is actually a core competency for GXS and one of the key strengths of our B2B Managed Services solution. We serve tens of thousands of customers around the globe through the world's largest B2B trading community. In fact, recently we worked with a regional construction and agricultural equipment manufacturer based in North America that was acquired by a global automotive giant. The company had an immediate requirement to source, build and sell products overseas in order to increase revenue. Because of our strong global footprint and international commerce experience throughout regions in Europe, North America and Asia Pac, GXS was able to help this company quickly integrate with new business partners (suppliers and customers) around the world to expand international sourcing and grow sales.

Q: You mentioned that Managed Services also has an “in-direct” impact in helping companies increase top-line revenue. Can you explain what you mean by that?

A: Indirect contributions, such as improving the customer experience and increasing customer satisfaction, actually have a tremendous impact on top-line revenue growth. One example involves removing backlogs that exist between a company and its customers with respect to electronic business transactions. As the global marketplace continues to grow, so does the complexity of managing the increasing volume of electronic transactions between a company and its customers. I have worked with many companies who were extremely challenged because their lean in-house resources were typically in a reactive, “fire fighting” mode fixing

Jeff Keefer is the Global Director of Managed Services for GXS. He started the Managed Services business 22 years ago (as part of GE Information Services) by consolidating the B2B operations of GE into the Electronic Commerce Service Center, which has since transformed into GXS Managed Services with hundreds of global customers partnering with GXS to manage their B2B operations. During 1998-2000, Jeff supported Jack Welch's GE Digitization effort with GXS building and operating the GE Supplier Portal and consolidating electronic order management for the industrial divisions of GE. Jeff has been with GXS for 27 years, in various technical and sales leadership positions.

Jeff's industry knowledge and experience in helping customers manage growth while reducing costs through innovative B2B solutions have earned him a reputation as a trusted partner and advisor. In this discussion, Jeff focuses specifically on how B2B Managed Services can help drive business value and improve business performance.

failed business transactions, and not able to address customer backlog issues. This can become a vicious cycle that ultimately increases the time it takes to satisfy new customer requests. The inability to manage the increasing complexity and volume of transactions will lead to pervasive backlogs that impede the order-to-cash process and eat away at customer satisfaction levels.

The GXS Managed Services solution provides an organization with the ability to scale resources as needed with a team of highly trained and skilled B2B specialists who proactively monitor and track all transaction events within the GXS Managed Services environment. Faster error resolution leads to improving the customer experience. Additional GXS resources are focused on reducing customer backlog which can dramatically improve the customer experience and make it easier to order from, and do business with that company. It may seem simplistic, but it is true: a happy customer will continue to buy from you and will also buy more.

Q: A recent SCM World study revealed that supply chain executives expect complex requests from customers to drive the need for more robust B2B programs and more reliance on supply chain technology. How can Managed Services help IT organizations address these requirements?

A: I've worked with many CIOs who have described the IT organization as the "dumping ground" for functional departments looking to improve efficiency through better systems and support. I don't know many CIOs who don't have a long list of projects focused on improving different aspects of how their business operates, often placing the IT department in a reactive mode. This puts a strain on IT organizations who are already being asked to do more with less budget and fewer resources. Customer demands often rise to the top of this list causing order management application development, upgrade, or replacement, other supply chain automation and B2B initiatives to have a lower priority. In addition, B2B programs always require a wide range of very specialized expertise in areas such as ERP integration, communications protocols, on-boarding new partners and document mapping. Very few companies have access to the specialized skills necessary to set-up, manage and support the technologies and processes required to run these programs.

A B2B Managed Services solution immediately extends the capabilities of the IT department to drive higher levels of automation in the company's supply chain. It allows IT to offload the complexities of managing the infrastructure—along with hundreds of B2B standards and protocols, thousands of document maps, and millions of transactions—to skilled organizations that focus exclusively on managing B2B programs to include trading community management. These organizations, such as GXS, have implemented similar B2B programs for companies in the same industry. Not only do we have industry-specific experience, but we also have enabling technologies and implementation expertise to deliver and support flexible and robust B2B programs. A B2B Managed Services solution is actually more than just outsourcing—it provides a comprehensive business partnership that not only reduces on-going operating costs, but also frees up valuable IT resources to focus on other critical projects within the organization.



About GXS

GXS is a leading provider of B2B e-commerce solutions and operates the world's largest and most expansive network of integrated business communities. The company's software and services simplify and enhance businesses process integration and collaboration among networks of trading partners. Organizations worldwide, including more than 75 percent of the Fortune 500, use GXS solutions to extend their supply chain networks, optimize product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. Based in Gaithersburg, Maryland, GXS has operations and offices around the world. For more information, see <http://www.gxs.com>, <http://blogs.gxs.com> and <http://twitter.com/gxs>.

ACCESS ADDITIONAL RESOURCES

For more information on the how B2B Managed Services can help you improve business performance, customer satisfaction and B2B capabilities, visit www.b2bmanagementservices.com.

Download a copy of the SCM World Study "Enhancing Customer-Centric Supply Chains" at www.gxs.com/resources/insights.

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