

Companies are generally attracted to Supplier Networks for valid reasons – cost savings, reduction in paper invoice volume, increased visibility into liabilities, and better terms. While a Supplier Network may help you achieve these goals, it is only a partial solution. Before you sign on, be sure you've considered several important points:

1. **Supplier Networks will only address some of your invoices.** You will be stuck with some percentage of invoices from suppliers who will not participate in the program. This can be a substantial number of invoices depending upon the various types of vendors you use.
2. **Setting up a Supplier Network can be messy and labor intensive.** You may have to purchase a vendor setup module to ease the implementation, plus you may need to solicit consulting help from the Supplier Network provider – both of which will add cost and time. Ultimately, your employees – the ones interacting with your vendors – will have to drive acceptance of the Network and compliance with the new business process. This may put an additional burden on your already busy employees.
3. **Supplier Networks create friction in your supply chain.** Does it make sense for you to tell your vendors they must pay a third party in order to submit an invoice for a product or service you purchased from them? Even if the Network is “free” – you are adding cost to your vendors' accounting process. Do you think this additional friction would help or hurt supplier relations?  
  
*Inevitably, some suppliers who do agree to participate in the program will add a transaction fee for doing so. That charge comes right back to you and is rarely factored into the total cost of ownership when making the decision to pursue a Supplier Network solution.*
4. **Don't underestimate the pain of change.** You have to contact ALL of your Suppliers, then you have to convince them to make changes to their billing process – just for you! You are only one customer. It requires Finance and IT work on their part to participate in your

network. Do you think they have other higher priorities? There also are changes required internally – including training your team as well as the teams that interact with your vendors, such as Purchasing and Receiving. There are also IS requirements associated with implementing a Supplier Network.

5. **Your Suppliers still have to keep their accounting records.** Think about it, even if you “make it easy” for vendors to participate in the network, they are still going to have to create and post cash against their invoices. It is the most basic of all accounting practices – do you think that is going to change just because you want them to use your network?

If Supplier Networks are only a partial solution, what else do you need to achieve your desired outcomes? The single largest contributor to achieving significant gains in performance is the quick and accurate conversion of invoice documents (in whatever form) into digital data. Once digitized, the information can be quickly routed, approved and processed for payment. Here's what we believe you need for a complete solution:

- A way to quickly and accurately convert **all** formats of invoice documents from any vendor into digital data.
- **Automated workflow** to power your approval and exception resolution process.
- **Simple, unbreakable integration** between your AP process and your ERP.
- **Easy-to-use Analytics** that provide you:
  - End to end visibility
  - Control of your process with opportunities to improve it
  - Insights that prevent rework and speed-up a smooth closing process
  - The ability to correct exceptions and variances in real time
- Comprehensive **document storage, archival, and access** that meets your record retention requirements and simplifies access for audit requests.



As you can see, Supplier Networks can have hidden costs and risks. Similar to the hype around Electronic Data Interchange (EDI) several years ago, there is only so much value you can wring out of your vendors' process.

DataServ can deliver an alternative with far less pain – and a faster time to value. Achieve your desired results by not requiring ANY vendor onboarding! Let us help you lower costs without the risk of failure, Supplier friction or the expense of your people's time “onboarding” your vendors.

