



PRODUCT
PAPER

web3 Spend Analysis



Accurately Classify, Enrich and Understand Enterprise Spend

Successful spend strategies depend on good data, structured processes and insightful analytics. But trying to make sense of large volumes of data, possibly from multiple systems and in multiple languages, can be a nigh on impossible task without the right tools.

Indeed, according to Gartner only 9% of the industry has visibility, with a host of data issues creating barriers between you and accurate spend intelligence:

- » Data is often incomplete, incorrect or simply incoherent
- » Master data from multiple different sources is difficult to aggregate and normalise
- » Data entry quality can be poor
- » Spend is misclassified or simply classified at such a high level that it is practically meaningless
- » Descriptions are incomplete (or simply don't exist)
- » Little or no intelligence can be drawn on supplier relationships and overlap

All of which results ultimately in the business missing out on the potential for significant savings. Remember, "if you can't see it, you can't save it".

With access to clear, consistent and comprehensive spend data, the procurement team is empowered to achieve cash savings and boost organisational efficiencies through a range of key activities including strategic sourcing, contract management, eAuctions, compliance and supplier consolidation.

Good spend insights will also help you identify new opportunities on leveraging spend and negotiating volume discounts and rebates with your suppliers.

Intelligent Analytics

To successfully implement procurement strategies, you need to fully understand your spend data and you need intelligent information - and that is where **web3** Spend Analysis comes in.

web3 Spend Analysis is a revolutionary solution, which can help you achieve cost savings, operational efficiencies and improved supplier management.

web3 Spend Analysis at a glance -

- » Negotiate pricing based on a clear, consistent and comprehensive understanding of spend
- » Identify product and service rationalisation opportunities
- » Leverage and rationalise suppliers to optimise your supply base
- » Capitalise on purchase price variance savings opportunities
- » Aggregate demand across your organisation
- » Monitor and improve supplier payment terms
- » Maintain contract compliance by actively monitoring off contract spend
- » Reduce information gathering and analysis cycles

With **web3** Spend Analysis you can control costs and manage the supply chain more effectively through deep insight into procurement activity. For procurement teams, it means better business decisions based on financial facts and real procurement behaviour.



Your Data Your Way

Traditional spend analytics software struggles to provide a viable solution to procurement needs. The generic, one-size-fits-all analytics approach can only highlight what has been purchased, but doesn't tell why it was purchased or where within the business the purchase was made.

Data classification is often based on fixed rules that do not reflect unique organisational categories or industry specific needs. The result is fragmented, poor and incomplete data which contributes to inefficient decisions making process.

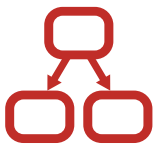
web3 Spend Analysis provides automatic, accurate classification with unlimited enrichment options including risk, CSE, CCI's etc. The system cleanses your data by correctly categorising line item spend and separating spend at transaction level. It can also detect and correct corrupt, inaccurate or incomplete records in the system effortlessly.



Artificial Intelligence

web3 Spend Analysis employs powerful AI to learn spend patterns and behaviours, such as naming conventions and classifications, aggregating that learning from clients around the world to build a data ecosystem capable of analysing millions of transactions in any number of languages.

Our AI can also learn from your own history and rules of classification, which empowers organisations to obtain highly customised insights and reports. This is combined with our team of specialised QA experts who rigorously check the data to provide you with exceptional levels of accuracy.



Data Categorisation

We can create a bespoke taxonomy to suit your needs and define procurement data in a custom reporting structure. This enables spend to be assigned to the correct source highlighting where resources or funding may need adjusting, allowing the business to become more agile and flexible according to the business environment.



Data Standardisation

Supplier data is automatically normalised by cross-referencing against the universe of known supplier data - rationalising IBM subsidiaries as well as "I.B.M" and "International Bus. Machines" as supplier names for example.



Data Reclassification and Refresh

Reclassification is immediately available to all users, allowing you to make changes and correct mistakes by using either an online form or via a point and click environment in the application itself.

Users can refresh anytime to add new data sources and elements, ensuring accuracy and integrity at all times. Any disruption to your business will be minimal and the turnaround time tend to get shorter as we become familiar with your database.

We recommend a quarterly refresh to add new data sources and elements, but this is variable according to your business needs.

True Supplier Insight

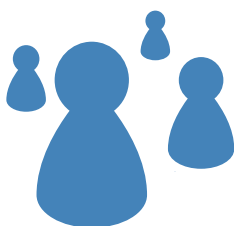
For many procurement teams, monitoring the supply chain can be time and labour intensive, as they struggle with vast, varied data volumes and multiple inputs.

Wax Digital web3 Spend Analysis can solve many of the problems that are commonly associated with large and complex supplier databases.



Dashboards for Actionable Insights

With data on hundreds of thousands of suppliers in our database, web3 Spend Analysis makes enriching your supplier information easy. The choice is broad and bespoke to each customer - at the simplest level you can source and automatically add credit risk indicators to suppliers based on the data model sourced from service providers such as Dun & Bradstreet or DueDil, but any other third party services can be accessed and integrated as required.



Identify Parent-Child Relationships

Where a supplier has multiple operating companies or subsidiaries, the **web3** AI will match these against your data set and group them together to eliminate duplicated information on your dashboard. With a clear understanding of ownership structure, you can then improve current process by using suppliers in line with their true capabilities.

With the right information, the procurement and finance teams can spot price variances and negotiate price with scale. You can also reduce non-value adding administrative activities, streamlining your procurement approach.



Manage Payment Terms

A range of granular data analysis tools helps organise cash flow based on categorising supplier contractual and actual payment terms regardless of their existing format presented on the invoice. For instance, normalisation of payment terms where an invoice reading "pay this week" resolves to 0 payment days whereas "pay next 30" resolves to a measureable 30 days.

By grouping payment terms together, the system also helps eliminate geographical inconsistencies for multiple sites businesses - even when the supplier is contracted by different parts of your business.

Information at your fingertips

web3 Spend Analysis unifies and visualises your spend data through our robust, flexible dashboards that give you timely business intelligence data. The solution is also optimised for tablets and mobile devices so you can obtain important information on the go, no matter where you are.

Dashboards for actionable insights

The **web3** dashboard delivers actionable insights via the easy to use, highly customisable interface. Sample dashboard views include:

- » Overview of spend distribution by categories / vendors / geographical regions, etc.
- » Spend over time / spending trends
- » Suppliers with/ without PO
- » Invoices and purchase orders values
- » Average payment terms
- » Saving opportunity assessment
- » Top spend and reduction areas

Collaborate and share easily

The interface features a number of tabs, each representing a different type of report. The tabs are all interchangeable meaning that different users can collaborate flexibly by sharing the same dashboard, simply by using different tabs to access the information they need

- » Data within the dashboard is interactive which means users can click into layers of detail – even down to a single transaction
- » Filters are available on the side panel for sieving out any unrelated or unnecessary information
- » Multiple filters and searches can be applied simultaneously

Flexible reporting for different audiences

web3 Spend Analysis comes with many different types of reports depending on the target audience. For example, a top level information report summarising the headlines from all the underlying data is perfect for CEOs or senior stakeholders. Reports are interactive, so users can drill down to the level of detail they need by simply hovering over the graphical information.



Turning Insight into Actionable Savings

Accurate, detailed spend data provides the foundations for effective strategic sourcing decisions, but delivering on that information requires seamless integration with an electronic sourcing platform.

web3 Spend Analysis forms part of the larger **web3 Source to Contract (S2C)** software suite, Wax Digital's comprehensive platform for delivering strategic sourcing success, including electronic Tenders and Auctions, Contract Management, Savings Tracker, Supplier Relationship Management and Supplier Information Management.

From Opportunity to Event

Acting directly on the intelligence provided by Spend Analysis, a click of a button on the **web3** screen allows users to move seamlessly from identified opportunity to new sourcing event.

For example, if you have identified through Spend Analysis that the business is spending on IT consumables with several suppliers at different price points, and that aggregating this spend and committing it all to one supplier would deliver significant savings, simply 'Create Event' and a new event will automatically be created populated with details including:

- » Supplier account details, cross-referenced where necessary against any you might already have run events with in the past
- » A sum of supplier spend populating the project spend amount
- » Spend category

All the features and functions of our best in class S2C solution are then open to you to seamlessly deliver one or a series of events based on the opportunities identified in Spend Analysis, immediately empowering supplier and service rationalisation, risk reduction and savings.



For more details about the full web3 S2C suite please refer to the [web3 S2C Product Paper](http://www.waxdigital.com/resources) at www.waxdigital.com/resources

web3 Spend Analysis can be deployed standalone, or as part of the **web3** suite. **web3** is a future-proof platform which can be extended across the full source to pay lifecycle.

Our **web3** solution suite includes:



eSourcing:

A powerful platform for private and public sector organisations looking to take control of electronic tenders and auctions in an intuitive, rapidly deployable package.



Analytics:

Provides stakeholder's controlled access to a complete universe of business, spend, process and behavioural information drawn from **web3** modules and any other third party sources as required.



Contract Management:

A solution can be used to manage any number of contracts, giving controlled access to your organisation in one easily accessible, securely hosted place.



Connect:

Unique in the eProcurement world, **web3 Connect** offers unrivalled integration capabilities with back-office systems and real-time integrations performance visibility.



Purchasing:

Delivers control, compliance and visibility right across the purchasing process, accessed via an intuitive web interface that employees love to use.



Supplier Management:

Delivering a comprehensive platform to drive more value and innovation from your suppliers through a joined up view of supplier information, performance and relationship management.

About Wax Digital

Wax Digital delivers the web's favourite integrated Source to Pay solution to savings-focused organisations around the world.

Our intuitive **web3** solutions are deployed via the cloud in Purchase to Pay (P2P) and Source to Contract (S2C) modules or as a completely integrated Source to Pay suite (iS2P).

Seamlessly integrated with back-office systems **web3** brings control, compliance and cost savings throughout the entire purchasing lifecycle, serving 260,000 users in over 100 countries and carrying tens of millions of transactions annually.



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