

Hubspan White Paper: *Customer Integration*

Doing Business Your Customer's Way Is The Only Way



GLOBAL INTEGRATION ON DEMAND

Executive Summary: Doing Business Your Customer's Way is the Only Way

Customer integration increases loyalty, retention and revenues

While “customer retention” may sound cold, and “loving your customer” may sound corny, the fact remains that businesses live or die on their ability to do both. The best way to accomplish the difficult task of satisfying and retaining your valuable customers, simply put, is to know them and keep them close. If you can understand your customers’ challenges and objectives, and do business the way they want, you have taken the first step toward the Holy Grail of successful companies. Customer integration puts you on that path.

Alternatively, if you fail to make yourself an integral component of your customer’s business and don’t show them love, you can be sure someone else will, and that someone else will be the competition. In this era of economic downturn, it’s more important than ever to implement technologies and solutions that protect your customer base and your revenue, while keeping the competition at bay. Customer integration provides a strong differentiation based on the quality of service you are providing your customers.

Bottom-line Benefits of Customer Integration

- Barnes & Noble experienced 100% retention and a 20% increase in revenue with integrated accounts for its B2B eCommerce operation, while saving tens of thousands of dollars by automating key processes
- Invitrogen, an innovative biotech company, achieved a 25% revenue growth premium on integrated accounts

Organizations who have implemented Hubspan’s cloud-based integration platform have seen significant improvements to their top and bottom lines, such as 100% customer retention, up to a 25% increase in revenues, and 99% order accuracy with integrated accounts, in addition to saving tens of thousands of dollars on saved infrastructure costs or management overhead.

This paper examines the reasons for, and the steps to attaining, customer integration. It includes a discussion of the best methods for connecting to your customer’s existing IT infrastructure, specifically via “cloud-based” integration solution utilizing the Software-as-a-Service (SaaS) model.

What is Customer Integration?

Successful companies must integrate data and business processes across a wide range of internal and external communities. For example, you may want to better automate the exchange of purchase orders and related documents with your demand chain or save costs in your procurement system. On a day-to-day, minute-by-minute basis, this means taking the existing systems of the companies in your business community and orchestrating the myriad connection points so they can connect with your systems. Doing so one customer at a time, one application at a time, and one standard at a time is expensive, labor-intensive and complex.

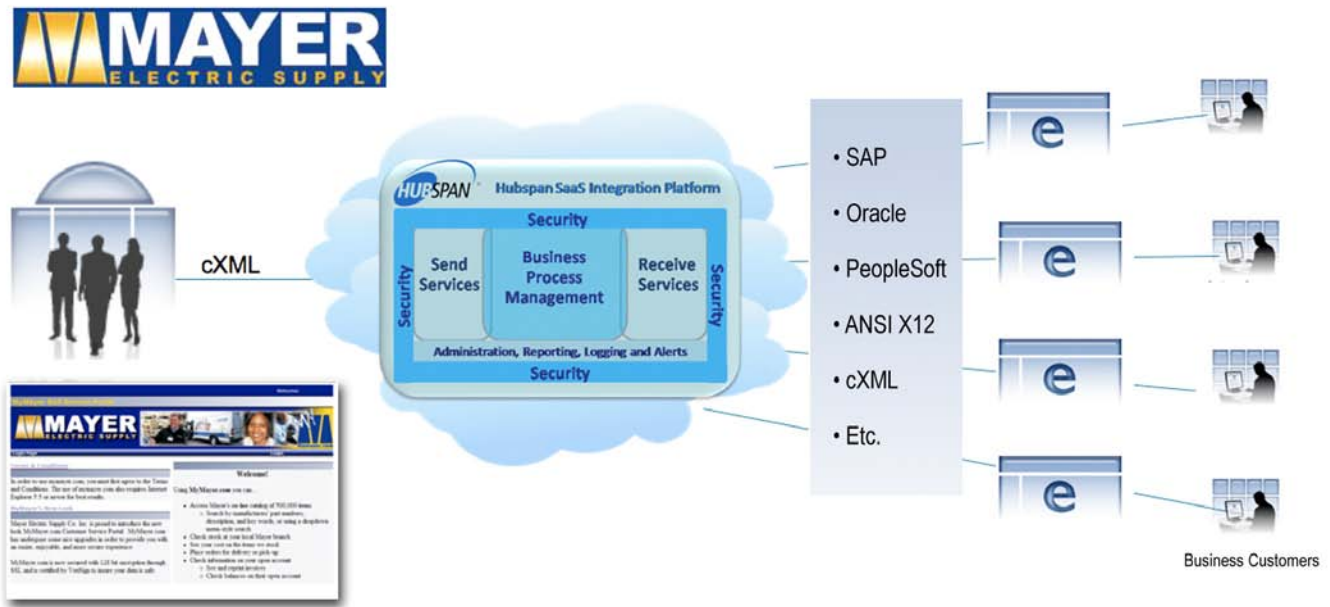
Now, with the advent of SaaS, companies can benefit from the latest integration solutions without incurring exorbitant purchase expenses or the other costs of ownership typical with traditional on-premise hardware and software. Solutions exploiting the SaaS model can also accelerate deployments and more quickly generate revenue.

What’s more, a good integration solution not only manages the connections and overall transactions, it does so while managing sophisticated business rules and maintaining a high level of security across the integration process.

How does this work specifically? Let’s take the case of Mayer Electric, a business-to-business supplier of electrical equipment, selling 500,000 products to customers across all industries. Mayer needed to find a way to improve their online catalog, extending its availability to their customers’ e-procurement systems. One of Mayer’s guiding principles is putting the customer first, but the firm was finding it challenging to adhere to that principle when it came to the eCommerce technologies needed to make it easy for customers to do business with them.

Mayer’s existing catalog hosting service and integration solution was proving insufficient and they did not want to handle the daunting task of integrating with multiple customers’ procurement systems themselves. Adding to the complexity was the fact that Mayer’s customers used an alphabet soup of protocols and systems. Enter Hubspan.

By implementing eCommerce Punchout for inbound and outbound e-procurement and an integrated purchase order process, Mayer is now able to work across diverse platforms and formats, and the company’s eCommerce and procurement system is fast and easy for its customers. The Hubspan integration platform and services is helping Mayer attract new customers, retain existing customers, and increase volumes, while saving thousands in infrastructure costs. In addition, new customers are



on-boarded to the Hubspan platform within a matter of weeks.

This is one of many examples of how Hubspan connects the diverse entities that comprise a community of partners and customers in the modern, transparent, and fluid business world.

The “Why and How” of Customer Integration

Failing to integrate with your customer’s business puts you at risk of missing revenue opportunities, or worse, losing the loyalty of existing customers, which opens an opportunity for the competition. From an IT perspective, the tools and solutions you select can help or hinder your efforts. There are many roadblocks to developing this type of close relationship: complex legacy infrastructures, costly time-consuming implementations, and labor-intensive ongoing maintenance, to name just a few.

Overcoming these obstacles often requires finding a trusted business partner yourself, an experienced, knowledgeable partner who has been down the road before and has the resources to guide you along your way. You need a partner who can utilize the latest techniques and technologies and has relationships with other key vendors needed to ensure success.

Hubspan has been helping companies achieve this high level of integration for nearly a decade with proven successes at Fortune 500 companies and industry leaders such as Barnes & Noble, Home Depot, and Visa, as well as for smaller operations struggling to simplify customer and partner connections and save costs. In search of a more

effective way for businesses to work together, Hubspan developed a range of solutions that simplify the journey to true customer integration.

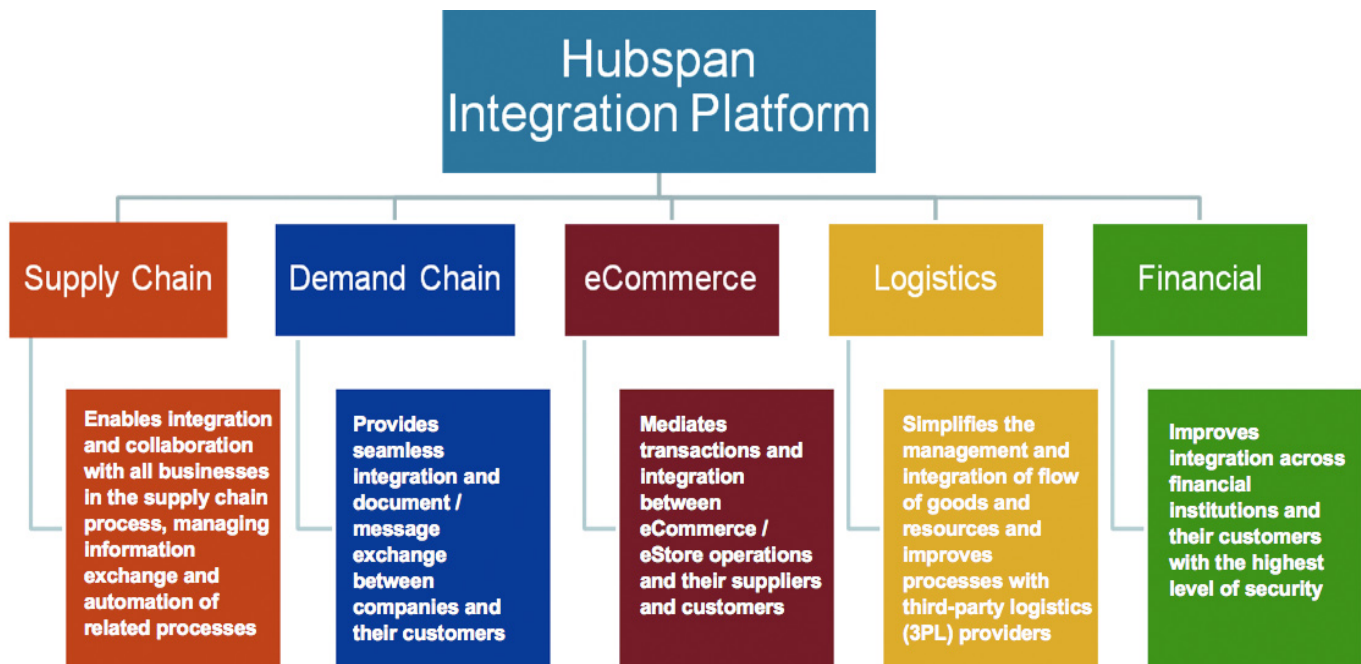
The Flexibility of the SaaS Model

In today’s challenging economic environment, revenue opportunities still exist for the enterprise willing to go the extra mile. The companies that will survive and thrive are those that can visualize how their business will run in the new landscape and are flexible enough to adapt.

How can Information Technology enable this degree of business integration? There’s perhaps no area better suited to inserting yourself into a customer’s business, although the costs of doing so are often prohibitive. New infrastructure, labor costs (both internal and external), plus the costs associated with distraction from your main order of business, all make IT integration unappealing. This is even more true in today’s cash-strapped enterprise.

As mentioned earlier, the SaaS model comes to the rescue. It eliminates many of the up-front acquisition costs of traditional integration solutions while reducing implementation risks. Since SaaS utilizes the Internet, it allows external business partners to share data and improve workflow processes. The model also increases security and ensures corporate compliance by applying industry best practices. In short, SaaS enables an enterprise to get best-of-breed solutions at a pay-as-you-go price.

Hubspan’s Customer Integration Solutions are based on this SaaS model and cover the gamut of an enterprise’s cross-entity business processes.



Hubspan Customer Integration: Web Commerce Case Study

A good example of Web Commerce Customer Integration is the case of Barnes & Noble. The many customers in its B2B operation were using a total of more than 90 different e-procurement systems. Without greater automation of these accounts, Barnes & Noble was finding it difficult to grow its business and keep existing customers happy. Further, its actual available inventory was not in synch with the online catalog or the purchase order system.

Hubspan was able to integrate those 90 different e-procurement systems via its net-centric “in the cloud” solution. From the customer perspective, nothing changed. Each customer has a single connection, based on its existing platform, such as SciQuest, Ariba, Oracle, as well as custom cXML. Hubspan transforms the diverse messages from these applications, mediating the various standards and business rules, so Barnes & Noble can integrate seamlessly with its customers. Since the Hubspan solution is SaaS-based, the implementation was activated quickly and scales easily to add new customers.

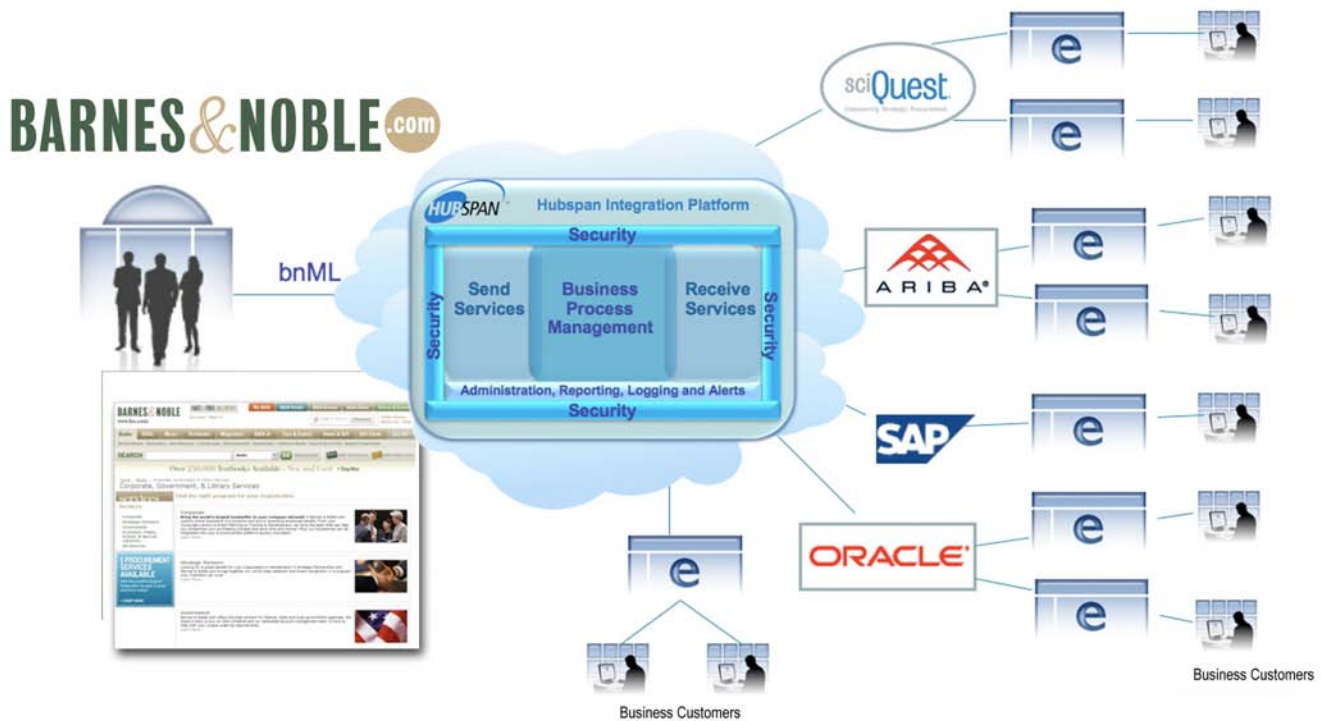
The result is complete automation of Barnes & Noble’s Web Commerce processes, saving the labor of two full-time employees as well as tens of thousands of dollars in development and infrastructure costs. They now have 100% retention of the integrated customers and 20% net new B2B customers to date.

Customer Integration Today

Globalization and Internet commerce have transformed the way business gets done. It’s no longer enough to just focus on what you sell, you must also examine how you sell it. If you can’t determine the way your customer wants to buy from you, you can be certain there’s a competitor out there who will. The more deeply you can embed yourself in the fundamental inner workings of your customer’s business, the “stickier” that customer will be, and the harder it will be for a competitor to take them from you.

Strategic Benefits of Customer Integration

- Automates manual business processes to drive out costs
- Reduces ongoing costs associated with existing infrastructure
- Consolidates systems and business processes
- Simplifies the task of adding external partners
- Increases corporate agility
- Improves customer loyalty, retention and revenues



Your customer will appreciate the ease of working with you that stems from a tight level of business integration, and your behavior will differentiate you from other players in your field. This tight integration, over time, will also give you access to data which will help you stay one step ahead of your customer - so you'll know what they're going to ask before they ask it, and be ready to respond accordingly.

Conclusion

Customers have more choice and power than ever before. During this time when every dollar counts, they are going to push harder to get as much as possible for as little as possible. That said, your customer's choice in business partner might not be based exclusively on price. Overall customer experience is also increasingly important. You must understand what sort of purchasing experience your customers desire.

Key to effective customer integration is the deployment of affordable, innovative technologies that immediately add value and show demonstrable bottom-line results. The SaaS model offers web-based solutions that can be deployed quickly and scale without extra infrastructure costs. Hubspan offers a range of solutions based on an any-to-any platform that supports the varied protocols, security standards, data formats and processes used by your customers. Knowing your customer entails speaking their language - your technology needs to communicate with their technology, as well.

These are uncertain times and the companies that successfully navigate through the uncertainty will be those that combine the benefits of smart new technology with the age-old wisdom inherent in the phrase "love your customer."

About Hubspan, Inc.

Hubspan is the leading provider of business integration solutions, helping companies automate business processes and provide strong collaboration among internal and external communities. Hubspan's cloud-based integration platform is cost-effective, scalable and reliable. With its any-to-any connections, Hubspan ensures seamless interoperability across systems, applications, and standards. Thousands of companies worldwide, from small and medium enterprises to Fortune 500 companies, successfully use the Hubspan platform every day to achieve stronger business collaboration. For more information, go to www.hubspan.com.