

## Case Study

### GXS: A Service Provider for Service Providers

When you offer on-demand technology solutions, what's the best way to solve your own technology challenges? For many service providers, the answer is a further commitment to the model they already champion: on-demand software ...



A pioneer in B2B e-commerce

Employees: >2,000 worldwide

Private Firm

OpenAir Users: 850

Started using OpenAir July 2006

Modules used: Projects,  
Resources, Timesheets,  
Expenses, Invoices, Workspaces

Integrations: Oracle CRM,  
Oracle Financials, Oracle HR

A case in point is GXS, a supply chain management service provider. The company operates a global network services platform that enables more than 40,000 businesses in 58 countries, including 75 percent of the Fortune 500, to collaborate on supply chain issues. Customers include FedEx, J.C. Penney, WHSmtih, Eastman Kodak and DaimlerChrysler. With the GXS platform in place, supply chain issues like fulfillment, inventory tracking and new product launches can be managed in real time.

“We bring together companies of all sizes and shapes,” said Bobby Patrick, GXS’ Senior Vice President and Chief Marketing Officer. To facilitate collaboration among this diverse client base, GXS has a large professional services group. “Considering that today’s supply chains are global and constantly changing, we needed a way to better manage our services so we could ensure they matched our clients’ needs.”

Fortunately, an emerging software sector, professional services automation (PSA), addresses exactly those issues. GXS considered a number of PSA solutions before whittling the contenders down to three vendors. The company looked at both shrink-wrapped software offerings and on-demand software.

“Since we offer on-demand software ourselves, we considered on-demand model a huge plus,” Patrick said. “Enhancements come out frequently, and you can take advantage of them immediately – rather than first having to go through a drawn-out testing phase. We want our IT staff to focus on what we do as a business, not on demos and trials.”

### **On-Demand from the Ground Up**

Even though they were sold on the on-demand model, GXS soon realized that not all on-demand offerings are created equally. “Some of the on-demand PSA solutions say they’re on-demand, but they use a third party for software delivery. We wanted a solution built from the ground up on the on-demand model.”

This led GXS to OpenAir and its Project Workflow Solution. OpenAir’s software helps project-based organizations better manage service projects. The suite automates how organizations book, bill, staff, and deliver their services, while also providing better visibility into projects.

For instance, OpenAir helps organizations better match team members with the projects that best match their skills, and it delivers metrics about each project, showing which projects truly offer the most value to the organization’s bottom line. Value could be based solely on financial considerations, or additional factors could be considered, such as lead-generation or marketing potential.

GXS’s chief technology strategist, John Radko, noted that the true on-demand vendors, such as OpenAir, live and die on their existing customer base. On-demand software business models are built on the premise that the best way to sustain the business is to figure out how best to serve existing customers. In contrast, the traditional off-the-shelf software model locks people into licenses and throws up barriers that make it difficult to shift platforms as needs change.

“The effect of this is to focus on-demand vendors on features that drive value in the opinion of current customers,” Radko said. Traditional enterprise software companies, on the other hand, must tilt more toward features that appeal to new buyers of software.

In other words, on-demand vendors are less likely to add features that look flashy but never get used. On-demand enhancements are developed instead to solve existing business problems that customers struggle with today. “As a result, on-demand software companies have the upper hand because their financial rewards are better aligned with continuing customer satisfaction,” Radko added.

### **Flexibility Drives Adoption and End-User Customization**

When GXS first began evaluating OpenAir, they were already a year into deploying an alternate client-server solution linked to their financials, however soon realized they needed a more robust, customizable solution. The solution was not meeting their services goals and usability issues were hurting adoption. After selecting OpenAir, GXS decided to stress test it from day one. Rather than having a demonstration group and a phased roll-out, as is common with most new technology platforms, GXS decided to roll out their new PSA solution the way they would new enhancements – globally and all at once. “We had close to 900 end users in 25 countries, and the deployment was seamless,” Patrick said. With a dedicated focus, GXS successfully rolled out OpenAir in 10 weeks, from first user added to invoices being generated.

GXS was happy that the deployment went smoothly, but not terribly surprised. After all, as an on-demand software provider, they knew this was how a deployment was supposed to work.

What did surprise Patrick and other executives was how quickly project managers began customizing the suite and tailoring it to their specific needs. “A manager in an offshore center may have different needs than a senior manager,” Patrick pointed out. “Since the user interface is easy to customize, when managers want to see different sets of data presented in different ways, they can adjust it to their particular needs.”

Part of what drives customization is that the system is designed for easy data import and export. “Most on-demand systems have figured out how to get data into their systems,” Patrick said, “but getting it back out and sharing it among applications is a different matter.” Often a middleware application is required, or time is wasted as users export the data manually.

With data sharing built into the system, project managers can customize how they use and present data, linking OpenAir to the applications most relevant to them. For instance, actionable data like an issue resolution alarm can be set to trigger events in related applications, such as inventory tracking or CRM systems.

Prior to using OpenAir, report creation was dependent on their IT department, report turnaround was not timely and business decisions delayed. Today using OpenAir, managers write these same reports on their own in minutes and run against real time data. This gives managers the latest information available and allows for new views into their business, resulting in better business decisions being made.

### **Integrating with Oracle Financials and HR**

One such application that GXS wanted to integrate with OpenAir was Oracle. The first area of integration was with Oracle HR. “With 900 users arriving, departing, changing titles, changing departments and so on, this was critical to us,” said George LaDue, GXS’s OpenAir Director.

“This was successfully achieved with a GXS/OpenAir XML interface that automatically runs nightly,” he said. The interface keeps data in sync across the applications, thereby minimizing manual updates. “This has resulted in higher data integrity for reporting.”

GXS also integrated OpenAir with Oracle Financials. “We use OpenAir Project Billing Rules and Invoicing capabilities, and the flexibility of the billing rules has proven to be a strong tool for supporting the myriad contract variations with our many customers,” LaDue said.

GXS project managers create their own billing rules and subsequent invoices, which could make invoicing complex and slow, considering GXS’s broad and diverse customer base. With OpenAir in place, the invoicing process is centralized, streamlined and simplified. Project managers file invoices in OpenAir, while finance managers go to the same interface to review and approve them. In the case of a rejection, automatic email notifications are sent.

Upon acceptance, the invoice is automatically staged for an OpenAir batch extract to Oracle Financials where Oracle is updated and the invoice is sent to the customer. “We have more than 20 countries using this capability successfully, and the ramp up time for our project managers and finance managers was minimal,” LaDue said.

“Invoicing was a struggle before, especially when trying to get information from one system to another,” LaDue added. “Now it’s all integrated, and invoicing is simple. Believe it or not, project managers say that they like billing rules. When you hear that, you know you’re on to something.”