Spend Matters™

TECHNOLOGY
REVIEW

AdaptOne®

The supplier lifecycle management software market — which can be segregated at least half a dozen different ways — includes dozens upon dozens of different providers specializing in one or more enterprise technology areas. These include supplier information management (SIM), supplier performance management (SPM), supplier relationship management (SRM), supplier quality management (SQM), supplier discovery management (SDM), supplier diversity, supplier risk management, and governance, risk and compliance (GRC).

Some of these areas are data-centric, others are process-centric and others still are relationship-centric. Following this pattern, from a tech vendor "supply market" perspective, some of the providers that compete in this sector are well known to procurement organizations, having invested heavily in marketing and sales for many years. But the majority tend to slip under the radar, either due to lack of marketing investment, lack of focus or simply poor communication (e.g., getting caught up in broader offerings/suite capabilities). And some are not even on the radar of most organizations.

One of the providers in these latter camps that recently caught our attention is AdaptOne. And not necessarily because it has a unique supplier management solution, as the truth is there is a lot of similarity between it and a few other SIM solutions. Rather, AdaptOne piqued our interest because it comes from a unique background and sells the solution from a new perspective. Leveraging a business process management (BPM) development and deployment orientation, AdaptOne's solution is more configurable and, well, adaptable (sorry, we could not resist) than most of its peers.

But how does AdaptOne stack up functionally, and what does its solution offer? This review provides an overview of the AdaptOne solution, along with facts and expert analysis to help buying organizations, suppliers and their partners make informed decisions about AdaptOne's SIM-centric solution. Part 1 of our analysis provides a company background and detailed solution overview, as well as a summary recommended fit suggestion for when organizations might want to consider AdaptOne. The rest of this multipart research brief will cover product strengths and weaknesses, competitors and SWOT analysis, user selection guides, insider evaluation and selection considerations.

COMPANY BACKGROUND AND MARKET OVERVIEW

AdaptOne has a history that goes back longer than the majority of companies in the procurement software sector. Founded in 2005, AdaptOne has continued to expand its capabilities in recent years. Today, AdaptOne sells a range of supplier management "as-a-service" solutions with supplier (information) management at the core. Leveraging SIM as a foundation, it also delivers supplier compliance management, supplier diversity spend and certification management capabilities. It also offers targeted supplier performance management functionality, as AdaptOne can build custom scorecards based on custom surveys and data collection.

✓ **KEY FACTS**

- Year founded: 2005
- Headquarters: Alpharetta, Georgia
- Number of Employees: 50-100
- Ownership: Certified minority privately owned and operated
- Revenue: Under $10 Million
- Product Summary: Offers a robust supplier management platform with deep domain capabilities to streamline and unify supplier onboarding/enablement and workflow processes. Designed to support all levels of complexity and provide a real-time accurate vendor master across all suppliers
- Customers include: NRG Energy, Geosyntec Consultants, Genon, The Clorox Company, National Minority Supplier Development Council, the 23 Minority Supplier Development Councils, Open Systems, Inc., Pritchard & Jerden, National Veteran Business Development Council, Memphis Minority Business Council.

SOLUTION COMPONENTS

AdaptOne's current Supplier Management-focused solution consists of the following components:

- Supplier registration
- Supplier on-boarding
- Diversity certification
- Diversity spend reporting
- Supplier Diversity Management Tier I & Tier II
- Supplier performance
- Corrective action

- Health and safety
- IT security
- Risk and compliance
- Event Management
- Contract Management
- Certification Management
- RFX Management

AdaptOne's professional services capabilities include business consulting, customized supplier management solutions and support services.

CONSULTATIVE DELIVERY AND CONFIGURATION

One of AdaptOne's key strengths is its business consulting capability, specifically its ability to work with a customer to design the perfect registration and on-boarding workflows, no matter how complicated or sophisticated, and implement the right overall "solution" that works exactly how the organization wants to manage its processes on top of it (i.e., not just "modules").

Some of the on-boarding workflows AdaptOne has designed, and implemented, are the most sophisticated we have ever seen. These can take into account geographies, industries, regulations, documentary requirements, security, compliance, health and safety, and other concerns to ensure not only that the organization can collect and manage everything it needs, but also that a supplier isn't burdened by a single unnecessary question.

SOLUTION OVERVIEW

AdaptOne is a heavily customizable SIM solution where every implementation is different, customized to the precise needs of the customer. This makes it different from its peers, which generally sell "modules" that are easily bounded and definable.

AdaptOne's configuration is heavily centered on supplier registration, on-boarding and data collection and maintenance workflows. The solution also can support as many validations as required. As with other top performing SIM solutions, data collection is form-based and every form can be heavily customized based on location and key identifying information, including auto-calculations and any validations the organization desires.
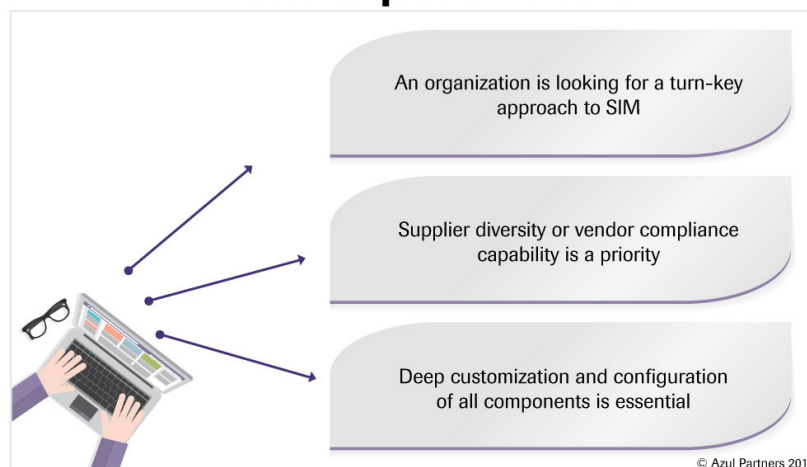
Unlike some of the more modern platforms, however, most of the workflow configuration and advanced validations have to be configured via the AdaptOne implementation process. And once configured, any significant changes to the workflow have to be configured by AdaptOne on the back end.

This makes AdaptOne a "solution" provider, not a cloud-based SaaS applications provider. This is an important distinction that could be either an asset or liability, depending on what customers are looking for.

ADDITIONAL CONSIDERATIONS

- All of AdaptOne's solutions are built on top of its vendor master system, which is very "SAP like" in feel and configurability
    - The solution can map to an SAP vendor ID (and other ERP systems)
    - This is important because it allows AdaptOne to import data from, or export data to, SAP and other ERP systems
- Unlike some SIM systems that focus just on supplier information, AdaptOne is able to collect all information about a supplier and its products, and can support a user-definable commodity structure. In addition:
    - The entire platform is metadata driven, which provides advantages which we will explore in Part 2 of our analysis
    - The solution supports deep search across the supplier and the commodity structure and all defined fields can be searched on
- Forms can be delegated by the buyer or the supplier to appropriate individuals for completion, and the access can be configured using deep role-based security
- Even the most complex of custom form configuration takes less than a third of the time typically needed (based on Spend Matters analysis) for four key reasons:
    - The underlying business process management/workflow management platform can be custom configured as needed (BPM is an inherent advantage in configuration)
    - AdaptOne delivers an extensive base of questionnaires for each module that can be quickly customized and changed to the needs of the client through the editor
    - Since AdaptOne can configure the forms using their meta-driven BPM process, it can also create the appropriate database structure automatically and ensure everything is indexed for advanced search
    - The platform also supports monitoring of all forms, fields and workflow steps, as well as triggers that can initiate context-specific actions on the completion of certain forms, fields and workflow steps. While actions can sometimes be added to forms, fields and workflow steps by the client, custom actions still have to be encoded into the system by AdaptOne

Use **AdaptOne** When...

An organization is looking for a turn-key approach to SIM

Supplier diversity or vendor compliance capability is a priority

Deep customization and configuration of all components is essential

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As a standalone component of procurement, supplier management is not new. Nor is the technology to enable it. But most procurement organizations still only have sourcing or e-procurement technology (at best) with capabilities that offer targeted supplier support for larger vendors. From a supplier management standpoint, the majority of firms still pay little attention to the long tail of hundreds, thousands or even tens of thousands of suppliers that they do business with. One of the key promises of supplier management solutions is to tier engagement levels and manage these suppliers across the entire lifecycle of engagement.

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Within this market, AdaptOne offers targeted capabilities that focus on supplier information management (SIM) and supplier diversity, which represent two sub-disciplines within supplier lifecycle management. Having started out as an enterprise business process management (BPM) and workflow management provider that customized solutions to client processes, AdaptOne evolved into a SIM provider that offers turn-key solutions inclusive of customized configuration.

STRENGTHS

Extreme Customizability

AdaptOne was built as a "SIM-as-a-Service" solution – one for which customers will never just license technology and deploy it "out of the box" to fit their needs. One of AdaptOne's core strengths revolves around customizing registration, on-boarding and supplier profiles to whatever process and data schema the organization requires. AdaptOne can customize everything about the application for the client end – data model, workflow, forms, validation rules, even UI.

Deep Support for Compliance and Diversity Information

AdaptOne's business process management (BPM) background, and its ability to customize data models to each client's needs are a standout general strengths. These capabilities also help the vendor easily support any diversity status and compliance tracking requirements that the client organization desires. This can include all necessary status, metadata, documents, validations and audit trails that track all data submissions, changes and approvals by an authorized individual. Moreover, even though the application is currently configured out-of-the-box for only EMR, OSHA, PCI and PII compliance, it can be modified to capture the requirements for any regulation or industry requirement the organization is interested in.

Extensive Scorecard Support

Based on AdaptOne's ability to customize its data model and design, as well as to distribute extensive surveys for each customer, it can also provide procurement organizations with extensive scorecarding support based on this data. The scorecard can be based on all associated data with the supplier, include custom coded KPIs and weight responses across individual submissions. And while there are limited customization options by the end customer, if the scorecards are well-defined during implementation, few changes will be needed on a regular basis.

Registration and Onboarding

AdaptOne can configure its platform to vastly reduce the time and effort required for an organization to effectively onboard new suppliers on an ongoing basis. Here's how it works:
- Through a simple Excel file upload, procurement, accounts payable or other users can set up batch invites, monitor the status and progress and run on-boarding reports. They can also configure the reminder alerts and interact with suppliers one-on-one through messaging and emails as needed
- The platform can partition invited, in-progress and onboarded suppliers into different work queues for the organization to quickly see where supplier stand (e.g., who hasn't responded, who needs to be called, who needs to be approved, who needs to provide or update diversity information, who needs to provide or update banking or financial information, who needs to provide or update other compliance requirements, who needs approvals and verifications)
- Complementary to these queues, AdaptOne can predefine a slew of appropriate activity reports where an organization can see who has upcoming expirations in diversity verification status, IT security, insurance and compliance requirements

STRENGTHS CONTINUED

- Reports can also include which suppliers have not been used or interacted with and may be ready for purging from the active system
- The workflows, process metrics and reporting capabilities provide procurement leadership with valuable oversight of not only their suppliers' participation and compliance to the organizations requirements but also to their buyers' activity and compliance to internal policies and procedures

Back Office for UI/Job Scheduling/Data Customization

While AdaptOne does not expose the full BPM platform it uses to tailor the solution to customers, the vendor does expose the control panel that it uses to configure the look and feel, as well as for the fine-grained flow of the application it delivers, which the end customer can use to tweak the installation. In this regard:

- The control panel has options for account management, committee formation, widget management (for dashboards), announcements, menu customization, event management, job scheduling, metadata definition, content customization, reference customization and basic configuration (with some configuration capabilities being deeper than others)
- Support for account management is also comparatively deep. The customer can define users, map them to roles (that define access and approval rights), form groups and tweak the permissions at the user level. The solution provides enough flexibility to support fine- and coarse-grained access control to data as well as functions
- The content panel allows users to configure portals, define the news feeds, configure the side panel, upload images and manage files

We should note, however, that certain components, including meta, reference management and job scheduling, are limited. Meta only allows the users to define the entity groups, the entity information and the attributes. Reference management simply enables the organization to define business structure code. And the job scheduler only provides capability for the client to control when the predefined jobs are run from a scheduling perspective.

The meta framework allows flexible data modeling to support entities, entity attribute inheritance, attributes, attribute groups and attribute features. The meta framework also automates many of the standard features of the platform, including data format and validation, advanced field-level search, report generation and dynamic data export.

Reference management provides "look up" or predefined selection data that can be easily maintained by users. For example, with reference manager, the user can change the options available for product categories, supplier diversity categories or the list of regions where an organization conducts business.

The job scheduler provides the automation for background tasks by controlling the frequency or interval of when jobs need to run. In addition, the jobs can be parameterized from the scheduler so that a job can run with varying configurations. The job scheduler supports many of the standard features such as sending reminder notifications, generating reports, data maintenance, and data integration and synchronization. In addition, custom tasks can be created to support specific client requirements.

PRODUCT SELECTION GUIDE

AdaptOne UX and UI Ratings

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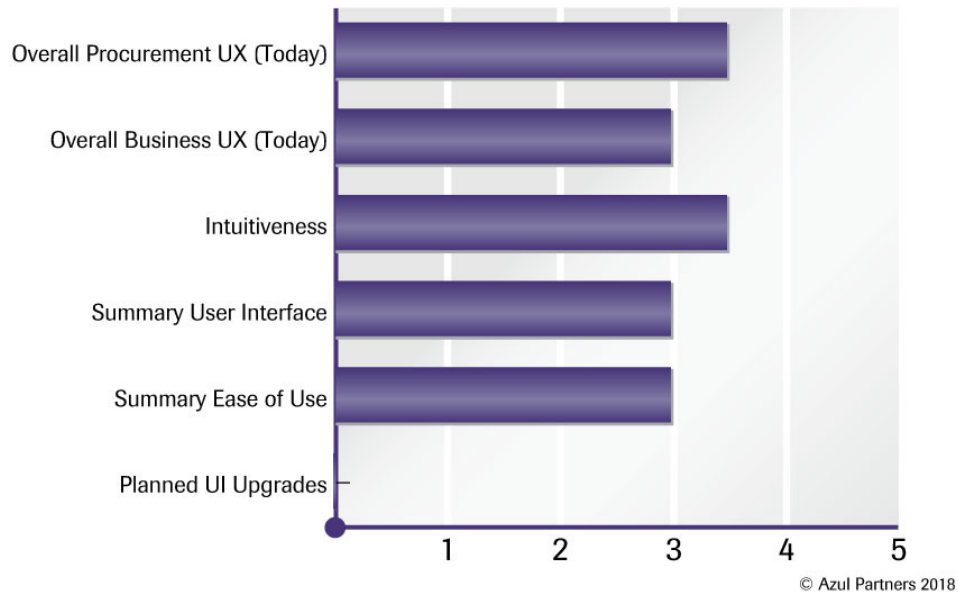
The supplier management technology market is among the most fragmented of those in the procurement technology landscape.

It comprises multiple segments (and sub-segments), and Spend Matters now tracks approximately 50 providers that compete within niche segments of it. One of these providers is AdaptOne, a vendor specializing in supplier information management that perfectly matches Spend Matters' SolutionMap "Turnkey" persona for supplier management. This Spend Matters PRO report provides facts and expert analysis to help procurement organizations make informed decisions about AdaptOne's solution — and whether its "turnkey" services-driven approach is right for them.

"AdaptOne piqued our interest because it comes from a unique background and sells the solution from a new perspective. Leveraging a business process management (BPM) development and deployment orientation, AdaptOne's solution is more configurable and, well, adaptable (sorry, we could not resist) than most of its peers."

-- MICHAEL LAMOUREUX AND JASON BUSCH

✓ SWOT ANALYSIS

STRENGTHS

- Extremely configurable platform that can be adapted to each customer's needs: industry, function, business process and regulation
- A business process management (BPM) approach to configuration that maximizes flexibility at affordable price points
- Deep expertise/capability to support supplier information management (SIM) business requirements
- Ability to "adapt" — hence the name — to new requirements and needs at any point in time after an initial deployment/configuration
- Capabilities go beyond "standard SIM" and can include rapid, custom enablement via the AdaptOne platform

WEAKNESSES

- Limited market awareness (sales, marketing, channel, etc.) significantly limits opportunities
- Unlike many peers, is not a steward/captain of a particular issue or compliance requirement (e.g., financial controls/validation, CSR, health/safety, supply risk, etc.)
- BPM configuration capability is not exposed to clients, so AdaptOne must make all changes
- Not a globalized solution (e.g., currency, compliance, language, etc.) — focused on North American customer requirements only
- Analytics and reporting capability (especially "DIY" capability) is limited

OPPORTUNITIES

- Continuing to miss out on sales opportunities due to lack of awareness may limit growth prospects
- Suite provider capabilities, as a component of sourcing, e-procurement or source-to-pay solutions, for SIM may be "good/configurable enough" for the majority of customer needs
- More rounded supplier management solutions (e.g., inclusive of risk, performance, supplier development/innovation) may prove attractive to customers
- Other services/solution-based providers are increasingly expanding into software and branching out into new industries/segments
- Data/intelligence driven providers may provide SIM capability that is "good enough"

THREATS

- Raise capital and invest in standardized sales, marketing and channel functions (vs. relying on ad hoc efforts)
- Expose BPM capabilities to customers directly (e.g., via training) and create a new market niche for "SIM-as-a-service"
- Market its capabilities to consultants and services providers (not just to implement solutions, but to use as their own to customize and bring to clients)
- Develop a "DIY" integration capability to simplify systems/data connectivity and empower customers in a self-service capacity
- Expand and market capabilities beyond the "entity" level to extend to the individual worker/contractor at various suppliers

COMPETITIVE ANALYSIS AND COMPARISON

The supplier management technology sector is large, complex and fragmented. The area includes a diverse range of breed vendors that often specialize in highly specific disciplines within supplier management.

As we indicated in the first part of this series, the sub-segments of the market include:

- **Supplier discovery management (SDM)** – Solutions that focus on helping an organization discover new suppliers, possibly with respect to diversity or sustainability requirements, that can be included in sourcing events
- **Supplier information management (SIM)** – Products that track all of the relevant information about a supplier, including locations, employees, products and services, certifications and insurance certificates
- **Supplier performance management (SPM)** – Solutions that track not only all relevant information but also relevant performance data on quality, reliability, deliver, invoice accuracy and sustainability, as well as collects that data into automatically updated, near real-time scorecards
- **Supplier relationship management (SRM)** – A solution category that includes not only SPM (and thus SIM) but also functionality to manage the relationship, such as capabilities for supplier development, supplier collaboration and supplier innovation management
- **Supplier network management** – Solutions that can support supplier discovery but are primarily designed to allow a buyer to transact (through e-document and e-payment exchange) with suppliers on the network
- **Supplier quality management** – A capability that, despite what many might believe, is often not part of many SPM and SRM platforms, especially when one considers specialized needs required to support direct materials procurement, including the management of nonconformance, cost of poor supplier quality and general quality management

Some providers have capabilities that span multiple sub-segments of supplier management. Others take unique approaches to a single one, delivering specialized (and often best-in-class) technology. AdaptOne delivers a broader overall value proposition.

✓ USER REQUIREMENT CHECKLIST

- 2-4 CHECKS (possible shortlist candidate)
- 5+ CHECKS (ideal shortlist candidate)

✓ A "Turnkey" SIM solution is desired

✓ Enabling services matter as much as software in a selection process

✓ Very specific registration and on-boarding requirements need to be met

✓ Deep, customizable, searchable supplier and commodity profiles are needed

✓ A solution that can handle extensive compliance requirements is required

✓ A solution to enable diversity and diversity spend reporting is required

✓ Custom capability development is important

COMMENTARY AND SUMMARY

AdaptOne was built to be a Turnkey SIM technology where an organization gets precisely the registration, on-boarding and SIM platform that they want, delivered by a provider that focuses on the broader solution (including services — see below) rather than just providing enabling technology/capability. In this manner, the solution collects all of the information an organization needs for compliance monitoring, regulatory information tracking, health and safety tracking, security verification, and supplier obligation management.

The AdaptOne team provides a complete configuration service that works with the customer to understand their needs and then delivers a customized, tailored SIM solution — which is configurable over time as new requirements are required and defined.

All the customer needs to handle is the supplier part of the relationship — answer their questions and provide the hand-holding — as all of the technical components are handled by AdaptOne.

Whether you call this "Turnkey" or concierge SIM outside, one aspect of what AdaptOne does is clear — for companies that want supplier management outcomes that are not participating in a network-based approach, AdaptOne can deliver one of the most economical means to achieve them.

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