

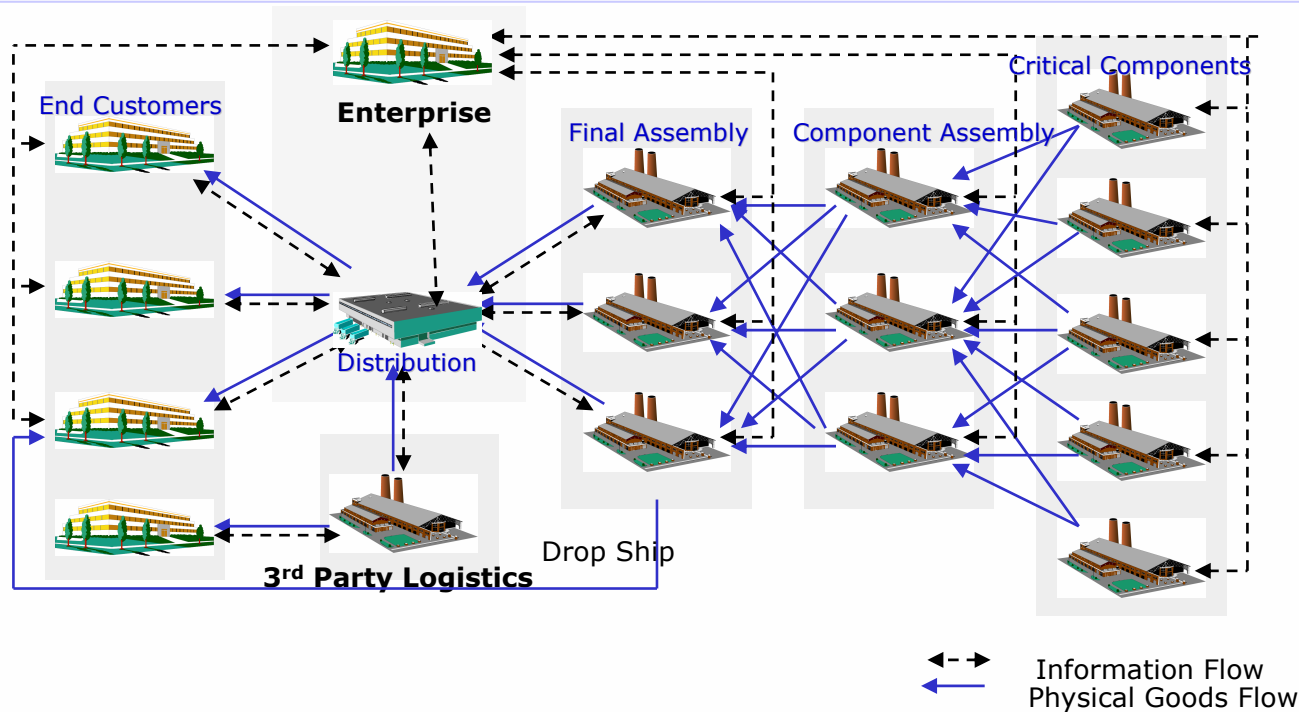


*eBusiness Compliance and Data Validation:
HP EMEA Logistics*

Overview

January 2005

The Increasing Complexity of the High Tech Value Chain is putting greater emphasis on B2B Data for Business Intelligence and Operational Decision Making



According to a 2004 Yankee Group survey, 36% of companies' key customers require compliance with customized electronic message standards in support of the purchase order/invoice/shipment process. Among companies with revenue of \$5 billion or more, that figure jumps to 62%.

The companies surveyed don't always comply. Twenty percent have been penalized in the form of chargebacks for noncompliance with customers' data and process guidelines. Among large companies, the number jumped to 49%

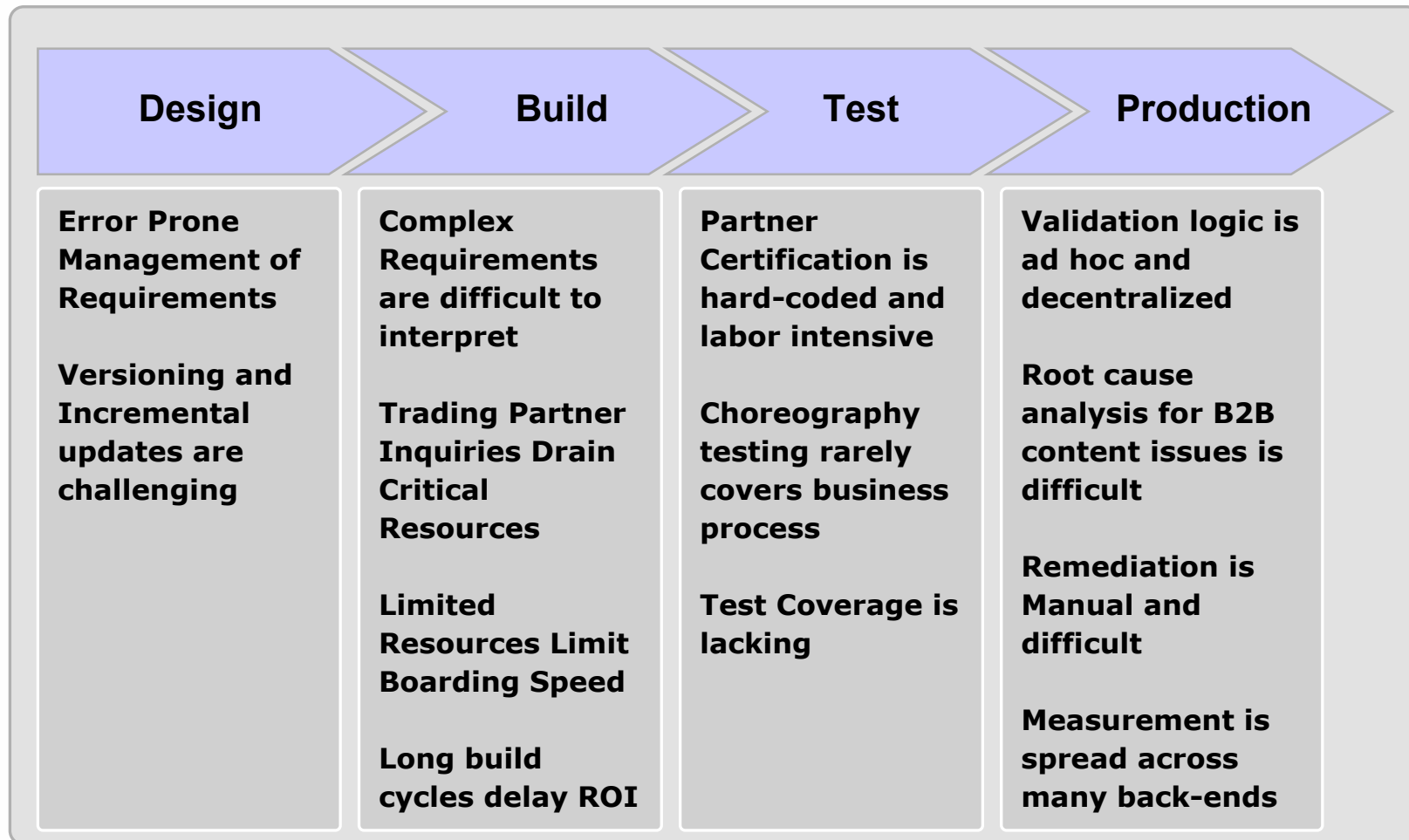
-- Yankee Group



Poor eBusiness Requirements Compliance and Accuracy Causes Significant Operational Issues

- Fulfillment operations are disrupted by inaccurate, incomplete, or inconsistent data
- Expensive data and process remediation activities must be pursued across multiple departments
- Customer experience and satisfaction is badly damaged by errors in the fulfillment process and disputes in the payables process
- Business Intelligence tool users lose confidence in report accuracy and revert to manual processes
- Working capital performance is damaged due to disputes and inaccuracy in both the trade payables and end customer collections process

The Root Cause of These Problems Stem From The Current Process For Managing Electronic Business Data Requirements With Strategic Partners



Business Impact



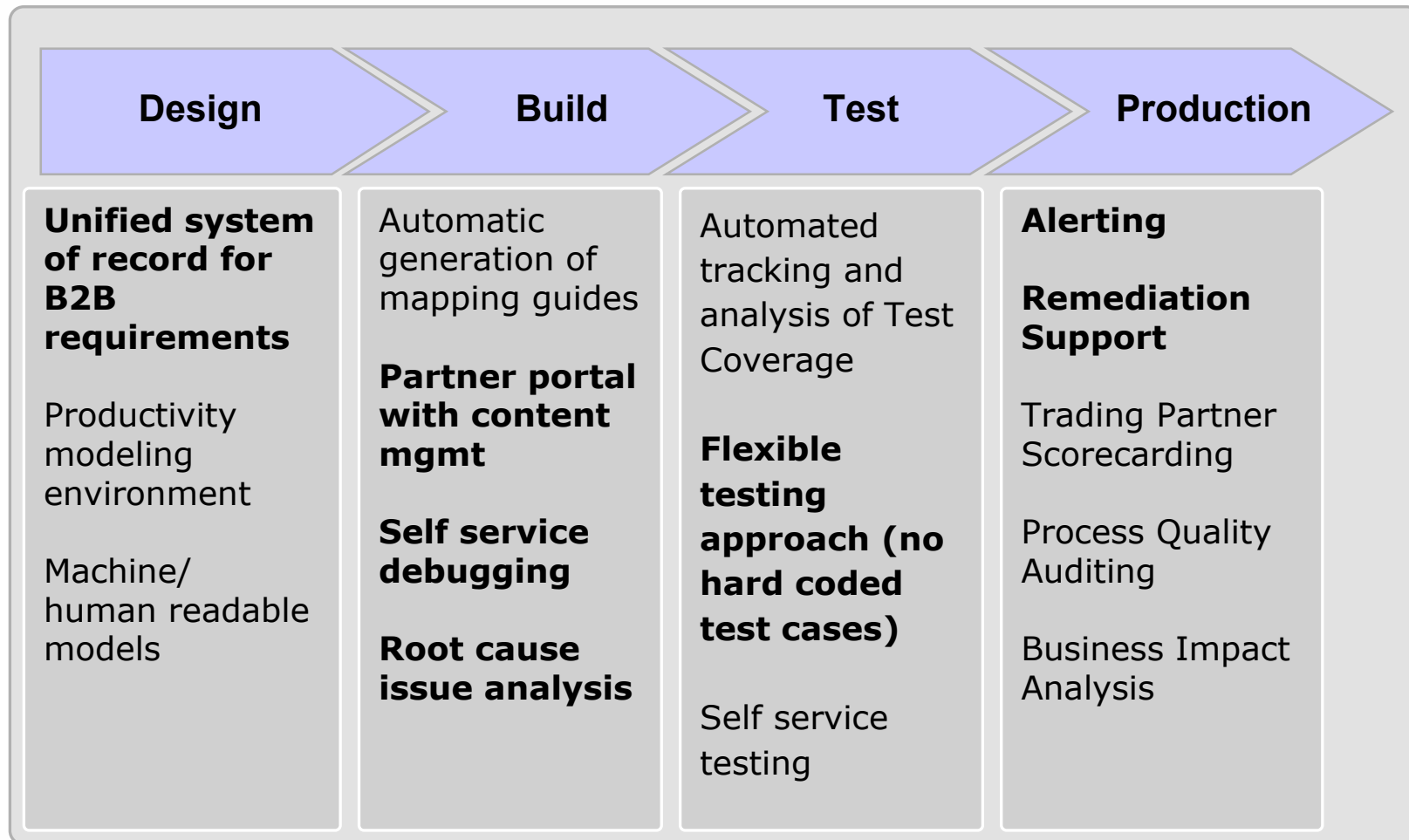
Avg Boarding Cost: 50-60K
Avg Boarding Time 3-6 Mos

Avg Production Error Rate: 60%

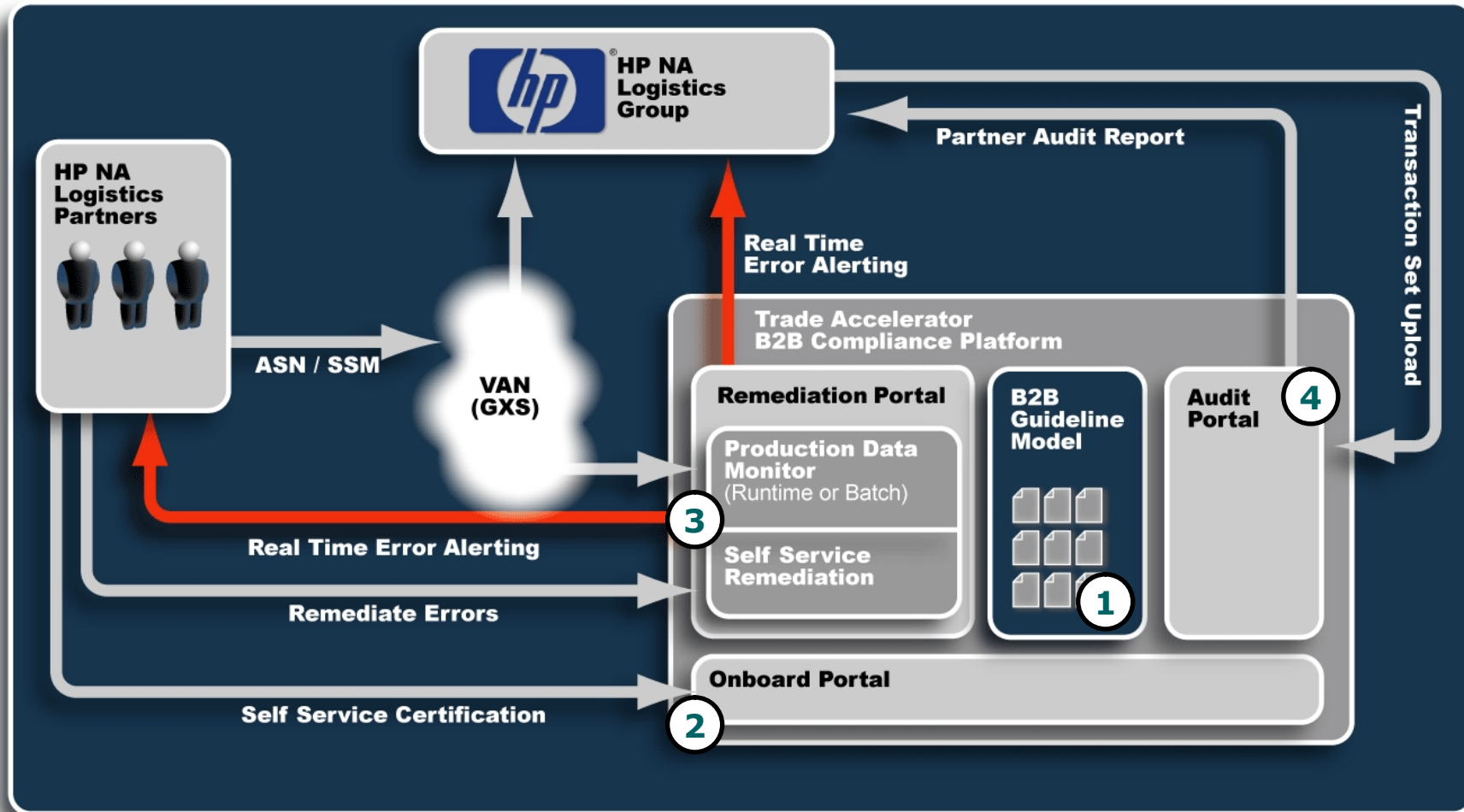
HP Overview of EMEA Logistics Challenges

Trade Accelerator HP EMEA Pilot Overview

Areas of Focus for BetweenMarkets for HP EMEA Logistics Pilot



HP EMEA Data Compliance Initiative



TradeAccelerator Deployment for EMEA Logistics Pilot

- ① Customer-specific message guidelines and business rules represented in machine readable format
- ② HP Logistics partners accessing TradeAccelerator Onboard Portal to accelerate compliance/certification
- ③ TradeAccelerator Remediation Portal analyzes inbound B2B messages in “run time monitor” mode
 - E-mail notification of message errors
 - Self-service message testing for remediation
- ④ TradeAccelerator Audit Portal analyzes compliance performance of key HP logistics partners
 - Audit of large transaction sets at end of pilot to **measure effectiveness** of project over time

HP Results

Recommendations From Yankee Group for Improved Data Quality

- Explore the causes of errors
 - Specific Systems, Geos, Partners, documents, data requirements
- Measure the cost of errors
 - You can't fix it all, focus on highest business value
- Put your own house in order
 - Many B2B issues are caused by turn-around data
- Work with your partners
- Consider B2B data quality management tools from solution providers
 - Requirements Management and Documentation Tools
 - Robust translation providers (hosted or in house)
 - Data Compliance Management Products

Cost of Compliance in High Tech: To Help Get you Started...

- Research Report on cost of Data Content
 - Labor Costs
 - Enterprise Impact
 - Industry Results for RosettaNet Error Costs
 - Recommendations and action plans for Enterprises
 - Background material and further research/reading
 - TCO tool for estimating content compliance related costs for RosettaNet and EDI
 - TCO tool for estimating labor cost of new RosettaNet or EDI onboarding initiatives
 - BetweenMarkets has arranged for the report and tools to be available for EDIFICE members
- BetweenMarkets is working to conduct a similar study specific to EDIFICE members
 - Results will be available at the Amsterdam meeting
 - BetweenMarkets will do a B2B Audit for each EDIFICE Member

Reflections on Business Intelligence Challenges from Today's Discussions

- HP – Requirement for “Near Real Time”
- Deloitte – Cost of Data
- Deloitte – Quality of Information
- Audience during Deloitte – Governance: Absence, Inconsistency, and ad hoc management
- HP – Data must be managed as an asset
- HP – Supply Chain Complexity: Huge Diversity and Volume of sources, standards, partners, and Transactions
- HP – Effectiveness must be measured
- HP – IT Agility, Speed, Quality, ROI to support end to end visibility

“As the complexity of electronic B2B processes increases, **the costs of non-compliant data will dwarf traditional connectivity costs.**”

