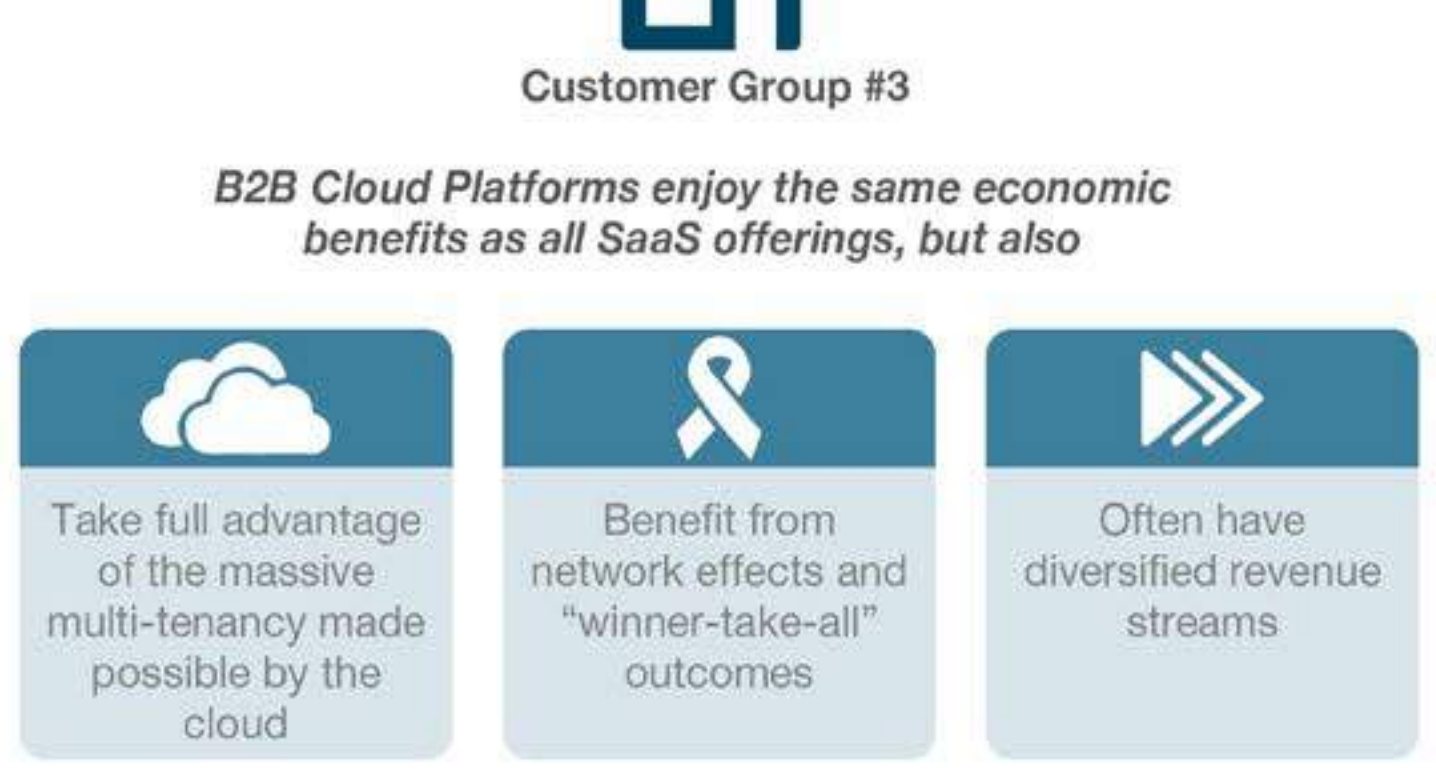


The Nine Value Propositions of B2B Cloud Platforms

B2B Cloud Platforms

Intermediaries that bring two, or more, different types of customer groups together to facilitate commerce.



B2B Cloud Platforms enjoy the same economic benefits as all SaaS offerings, but also

- Take full advantage of the massive multi-tenancy made possible by the cloud
- Benefit from network effects and "winner-take-all" outcomes
- Often have diversified revenue streams



Some B2B cloud platforms offer just one value proposition, most offer several highly complementary value propositions. All platforms struggle with the issue of how many value propositions to attempt to offer and in what order.

Value Proposition #1: Supply Chain Automation



Supply chain automators simply make it easier for buyers and sellers to conduct commerce electronically

Supply Chain Automation Quick Take

Value Add: Elimination of paper and automation of workflow

Segments: Financial Supply Chain, Physical Supply Chain, Indirects and Services Supply Chain and Risk Management Supply Chain

Examples:

Value Proposition #2: Matchmaking



Matchmakers seek to create new relationships between buyers and suppliers who were previously unknown to each other

Matchmaking Quick Take

Value Add: Decreasing Search (buyers) and Sales Costs (suppliers)

Segments: Goods, Services, Sharing, Crowdsourcing

Examples:

Value Proposition #3: Credentialing

Credentialers provide risk management and compliance services for buyers and suppliers.

Quick Take

Value Add: Risk Reduction and Compliance

Segments: Company, Facility, Product, Lot, Individual

Examples:



Value Proposition #4: Industry Catalogs

Industry Catalogers aggregate, cleanse and enrich data in a vertical to make it searchable and comparable



Quick Take

Value Add: Search and compare the previously unsearchable

Segments: Products, Services

Examples:

Value Proposition #5: Leveraged Contracts

Leveraged contracts aggregate the spend of many small buyers to achieve price and/or non-price concessions that would not be available to the participants as individual buyers.

Quick Take

Value Add: Aggregate buying power for better prices, greater volume for suppliers

Segments: Healthcare and all other

Examples:



Value Proposition #6: Transaction Financing

In technical terms, transaction financing is credit arbitrage at the invoice level. In layman's terms it is just lending to suppliers to pay them earlier.



Quick Take

Value Add: Credit arbitrage at invoice level

Segments: Buyer Contracted, Supplier Contracted

Examples:

Value Proposition #7: Industry Big Data

Industry Big Data (IBD) providers bring transparency and insights to industries that have been devoid of price, quality, or performance transparency.

Quick Take

Value Add: Transparency and insights based on specialized data

Segments: Price, Quality, Performance/Outcomes

Examples:



Value Proposition #8: Collaborative Project Management

Collaborative Project Management providers put buyers and suppliers in an industry on the same (web) page in some, or all, of the "design-to-source-to-pay" process.

Quick Take

Value Add: Improved Design to Launch process

Segments: Products, Projects

Examples:

Value Proposition #9: Managed Services

Managed service providers are companies which may have built a technology platform or network, but provide that platform only, or primarily to, their own employees rather than providing the platform directly to buyers or suppliers.

Quick Take

Value Add: We manage the suppliers or customers for you

Segments: Buyside and Sellside

Examples: