

The Total Economic Impact™ Of Apexanalytix

Cost Savings And Business Benefits Enabled By Apexanalytix

A FORRESTER TOTAL ECONOMIC IMPACT STUDY
COMMISSIONED BY APEXANALYTIX, JANUARY 2025

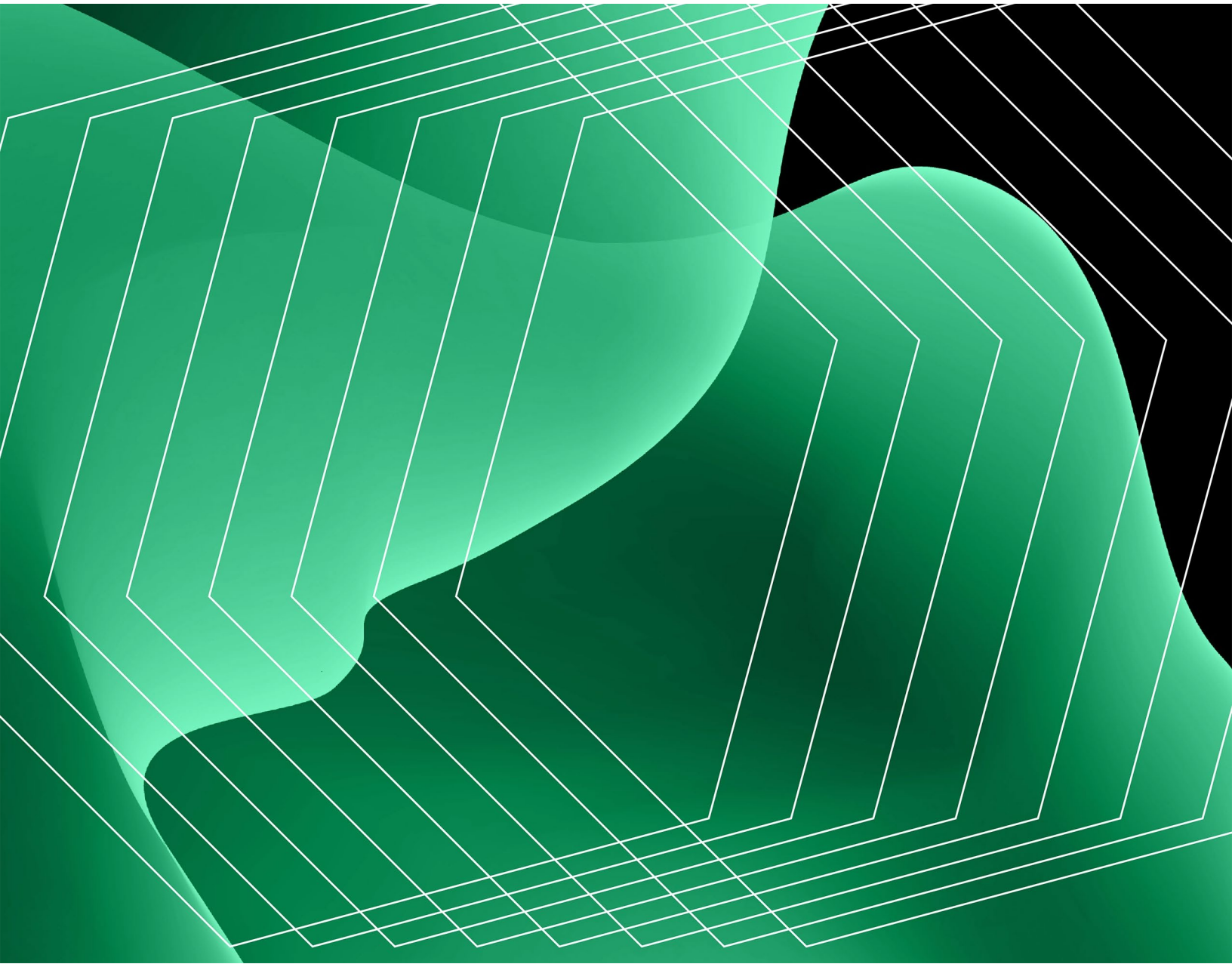


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Executive Summary

For growing, dynamic organizations, it can be challenging to manage supply chain costs without abandoning quality or sacrificing profit margins. Apexanalytix supplier management solutions allow companies to maintain control over their vendor transactions and give visibility into their supplier base. Organizations can customize these tools to help them increase operational efficiency, reduce overpayments, and combat fraud.

Apexanalytix’s supplier management software solutions help organizations increase vendor transaction efficiency, reduce risk, and save time when managing their vendors. Apexanalytix’s solutions give organizations detailed, real-time visibility into transactions with their suppliers, which in turn allows the organizations to recover payments made on duplicate transactions, streamline vendor onboarding, and improve ongoing collaboration with both internal and external financial stakeholders. With this new level of supplier oversight, organizations that use apexanalytix can review and improve their own internal structures and processes, which helps them to prevent future instances of fraud, profligate spending, and overpayment.

Apexanalytix commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study and examine the potential return on investment (ROI) enterprises may realize by deploying [apexanalytix](#) solutions.¹ The purpose of this study is to provide readers with a framework to evaluate the potential financial impact of apexanalytix solutions on their organizations.



Return on investment (ROI)
168%



Net present value (NPV)
\$2.19m

To better understand the benefits, costs, and risks associated with this investment, Forrester interviewed four representatives with experience using apexanalytix solutions. For the purposes of this study, Forrester aggregated the interviewees’ experiences and combined the results into a single [composite organization](#) that is a US-based company with \$10 billion in annual revenue and global operations.

EXECUTIVE SUMMARY

Interviewees said that prior to using apexanalytix, managing their organizations' supplier network required a lot of manual, paper-based processes, which were time-consuming and error prone. Their organizations had difficulty onboarding and screening vendors efficiently. Employees often were forced to onboard suppliers before vetting them properly, which left the companies vulnerable to fraudulent transactions. Interviewees also struggled with detecting duplicate payments in a timely manner because they lacked visibility into overall invoice maintenance.

After the investment in apexanalytix, the interviewees were able to identify and recover more overpayments, improve vendor discovery processes, and increase efficiencies around supplier management. Interviewees leveraged apexanalytix to improve their invoice visibility, detect fraudulent transactions, and enhance their vendor self-servicing capabilities to save time and gain financial control across the vendor lifecycle.

KEY FINDINGS

Quantified benefits. Three-year, risk-adjusted present value (PV) quantified benefits for the composite organization include:

- **Recovered duplicate payments and increased payment credits and refunds.** Before implementing apexanalytix solutions, the composite organization only recovered approximately 30% of its overpayments and duplicate payments to its vendors. Additionally, those payment errors had to be recovered manually, and the tasks involved with those recoveries were time-consuming and ineffective. Once the composite organization can track its supplier invoices within the apexanalytix platform, it is able to automate many of these manual vendor transaction tasks and uncover the root cause of overpayments. Therefore, the composite organization can take steps to prevent these duplicate payments from ever being issued in the first place and is able to recover 70% of duplicate payments that it couldn't previously. The benefits achieved over the three-year period in recovering duplicate payments total \$2.1 million.
 - **Saved significant time through faster discovery, onboarding, and banking validation.** With apexanalytix solutions implemented, the vendor discovery, validation, and onboarding processes become much less time-consuming for the composite organization. Vendor setup tasks are now completed by the vendors themselves in a self-service capacity, which allows the composite organization to save valuable time in this initial phase of the supplier relationship. Banking validation is now automated
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EXECUTIVE SUMMARY

through apexanalytix, so the composite organization does not have to dedicate staffing resources to cross-check and validate that the bank account is legally owned by the vendor (rather than a fraudulent actor). The financial benefits achieved by reducing the vendor discovery and onboarding resources total \$638,000 over the three-year period.

- **Achieved productivity savings through improved ongoing vendor management.** With the help of apexanalytix solutions, the composite organization monitors vendor transactions more efficiently and saves time by improving its own processes and payment terms to better suit its own needs along with its suppliers' needs; for example, mandating that supplier payments be made using electronic fund transfer (ETF) instead of payment via check, which is more prone to error and fraud. If a vendor hasn't received payment, they can now easily look up payment status within the apexanalytix platform, which reduces the number of inbound calls the composite organization needs to handle. Instead of being reactive to vendor payment or supplier transaction issues, the composite organization now has a system in place that outsources certain administrative tasks back out to the vendor themselves. Knowing the root cause of these supplier issues helps the composite organization change its practices for the better and prevent future payment discrepancies. The benefits achieved over the three-year period in improving ongoing supplier management total \$703,000.
- **Reduced effort in compliance and legal activities.** Before implementing apexanalytix solutions, there would be instances where vendor compliance issues were escalated to the composite organization's legal teams. Reaching resolution on these issues could often be challenging, since the business and legal teams didn't always have access to the same system. With apexanalytix, the composite organization reduces its service level agreement (SLA) for resolving these vendor compliance issues from five days to two days. Having two business units integrated within the same software platform helps teams at the composite organization save time in resolving any claim of vendor fraud. The financial benefits achieved in this category total \$60,000 over the three-year period.

Unquantified benefits. Benefits that provide value for the composite organization but are not quantified for this study include:

- **Enhanced operational efficiency.** The apexanalytix platform helps the composite organization streamline supplier management and some of these time-saving benefits are quantified within the financial model. However, there are additional operational improvements that stretch beyond what is quantifiable. With better visibility into its
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supplier network, the composite organization optimizes payment terms and design accounts payable rules that best fit their organization's needs. Additionally, the composite organization can more easily accommodate suppliers it wishes to use for its business, such as sustainable suppliers. The flexibility to improve these vendor management practices not only saves time, but it also makes the job easier for the staff who are involved with vendor management and accounts payable.

- **Avoided fraud and reputational damage.** With the implementation of apexanalytix, the composite organization reduces its supplier-related risk. The composite organization can now systematically track vendor activity and can also get alerted to anything that looks suspicious or fraudulent. The composite can establish rules and practices that dictate how vendors are paid, therefore moving away from check-based payments which tend to be more vulnerable to fraud. Being able to get out ahead of potential vendor fraud reduces the composite organization's potential vulnerability to reputational or financial damage.

Costs. Three-year, risk-adjusted PV costs for the composite organization include:

- **Ongoing resource and subscription costs.** The composite organization makes ongoing payments for the product licenses and internal resources necessary to manage its apexanalytix solutions suite. The composite subscribes to a three-year software-as-a-service (SaaS) term for the following apexanalytix products to help it with supplier management: Supplier Management Portal (including Registration, Risk, Fraud Detect), Vendor Audit, Statement Audit, Intelligent Data, and Overpayment Prevention. The total cost for these maintenance and subscription costs over the three-year term is just under \$1.2 million.
- **Implementation and startup costs.** The initial implementation of apexanalytix solutions requires some up-front costs for the composite organization prior to the start of its three-year software term with apexanalytix. The composite organization opts to use in-house resources for its implementation instead of leveraging any third-party consultants or additional implementation services from apexanalytix. The total cost for the implementation and startup activities that are conducted prior to the start of the composite organization's three-year term is just under \$128,000.

The representative interviews and financial analysis found that a composite organization experiences benefits of \$3.49 million over three years versus costs of \$1.30 million, adding up to a net present value (NPV) of \$2.19 million and an ROI of 168%.

“One of the things that made us choose apexanalytix is that it gave us the flexibility to build the workflows and the approval path that was based on our policies.”

GLOBAL PROCESS OWNER, MANUFACTURING

EXECUTIVE SUMMARY



Return on investment (ROI)

168%



Benefits PV

\$3.49M



Net present value (NPV)

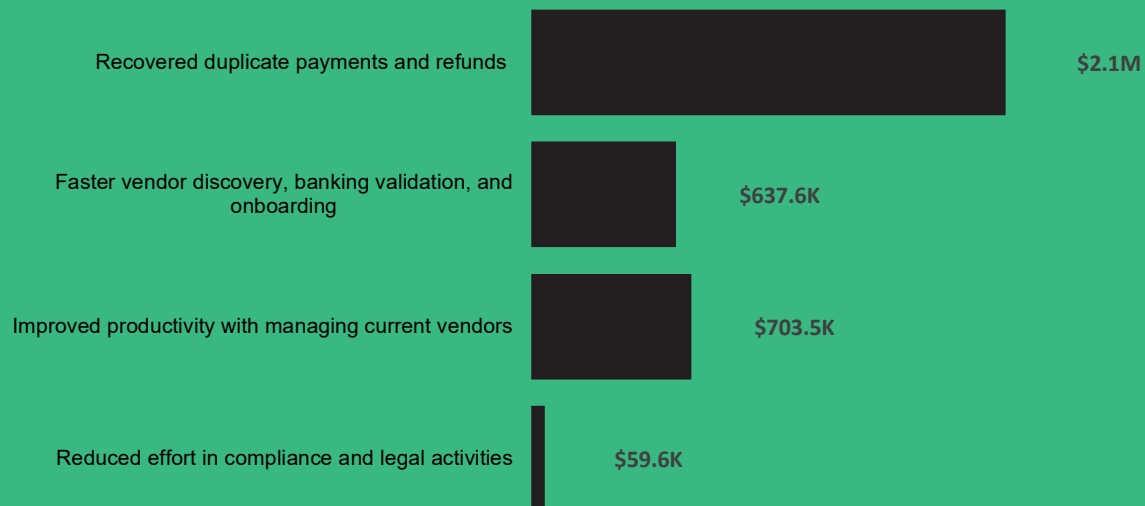
\$2.19M



Payback

<6 months

Benefits (Three-Year)



TEI FRAMEWORK AND METHODOLOGY

From the information provided in the interviews, Forrester constructed a Total Economic Impact™ framework for those organizations considering an investment in apexanalytix.

The objective of the framework is to identify the cost, benefit, flexibility, and risk factors that affect the investment decision.

Forrester took a multistep approach to evaluate the impact that apexanalytix can have on an organization.

DISCLOSURES

Readers should be aware of the following:

This study is commissioned by apexanalytix and delivered by Forrester Consulting. It is not meant to be used as a competitive analysis.

Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the study to determine the appropriateness of an investment in apexanalytix.

Apexanalytix reviewed and provided feedback to Forrester, but Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning of the study.

Apexanalytix provided the customer names for the interviews but did not participate in the interviews.

1. Due Diligence

Interviewed apexanalytix stakeholders and Forrester analysts to gather data relative to apexanalytix.

2. Interviews

Interviewed four representatives at organizations using apexanalytix to obtain data about costs, benefits, and risks.

3. Composite Organization

Designed a composite organization based on characteristics of the interviewees' organizations.

4. Financial Model Framework

Constructed a financial model representative of the interviews using the TEI methodology and risk-adjusted the financial model based on issues and concerns of the interviewees.

5. Case Study

Employed four fundamental elements of TEI in modeling the investment impact: benefits, costs, flexibility, and risks. Given the increasing sophistication of ROI analyses related to IT investments, Forrester's TEI methodology provides a complete picture of the total economic impact of purchase decisions. Please see [Appendix A](#) for additional information on the TEI methodology.

The Apexanalytix Customer Journey

Drivers leading to the apexanalytix investment

| Interviews | | | |
|------------------------------|--------------------------------|--------------|--------|
| Role | Industry | Headquarters | Region |
| Global process owner | Manufacturing | Mexico | Global |
| Controller | Grocery retail | US | US |
| Associate accounting manager | Hospitality | US | US |
| Accounting general manager | Airlines and aviation services | US | Global |

KEY CHALLENGES

Before implementing apexanalytix supplier management solutions, interviewees noted their organizations struggled with vendor network oversight because they did not have real-time visibility into their supplier profiles, invoices, and transactions. Every part of the supplier lifecycle — from vendor discovery to supplier vetting to invoice management — required time-consuming manual tasks, and there was no comprehensive structure or system in place to manage these vendor onboarding processes or supplier transactions.

The interviewees noted how their organizations struggled with these common challenges, including:

- **Difficulty screening vendors and reducing potential for fraud.** Interviewees struggled with the vendor screening process because there was no technology solution they felt was comprehensive or customizable enough to allow them to fully vet their suppliers and get them onboarded in a thorough and timely way. Before apexanalytix, interviewees had to cross-check databases to ensure that their suppliers' bank routing and tax ID numbers were correct and legitimate, plus they had to confirm that the naming conventions were all aligned. The global process owner from the manufacturing

organization added, “When looking into supplier management solutions, we first wanted to optimize the [vendor onboarding] process by using technology. At that time, instead of fully vetting suppliers first before bringing them into our network, we were screening and onboarding vendors at the same time, which was leaving us vulnerable to potential fraud.”

- **The inability to recover overpayments or duplicate payments.** The lack of control and visibility into supplier transactions meant that the interviewees’ organizations likely had duplicate payments that were being issued to their vendors, even though these errors were preventable with the right software in place. The associate accounting manager at the hospitality company described how common it was for erroneous invoices to be paid out in the pre-apexanalytix days: “Every service provider has three or four managers, and any one of those managers could key in an invoice. The likelihood of one of these managers keying an invoice to the wrong supplier or using an incorrect invoice number was high. Not to mention, there’d often be somebody at the support center working off an aging statement or paying an invoice that was misapplied by a vendor. We knew there was potential for a large amount of duplicate payments.”
- **Manual effort required to manage vendors throughout their lifecycle.** Before implementing apexanalytix solutions, the interviewees described their companies’ vendor management practices as inefficient. Staff members did not have a streamlined or digitized approach, but instead had to collect paper-based documentation from their suppliers and then manually log these documents individually. The accounting general manager of the airline and aviation services company summarized the pain points they had before implementing apexanalytix: “A lot of the tasks we had to do [before the implementation of apexanalytix], we were having to do those things manually. We needed staff to do those identification checks and risk assessments one by one, whereas now the system does it for us. It’s great because just we don’t need the all the hours and the manpower that we did before.”

“After we went through a merger with another organization, we realized that we didn’t have a tool to look at fraud or to really vet the vendors of the newly combined organization.”

CONTROLLER, GROCERY RETAIL

COMPOSITE ORGANIZATION

Based on the interviews, Forrester constructed a TEI framework, a composite company, and an ROI analysis that illustrates the areas financially affected. The composite organization is representative of the four interviewees, and it is used to present the aggregate financial analysis in the next section. The composite organization has the following characteristics:

Description of composite. The composite organization is a company that is headquartered in the United States but has global operations across numerous countries. The organization has experienced strong growth and has a complex supplier network with 45,000 suppliers in total. The composite organization's supplier network contains many different types of vendor organizations with regard to size, industry, and annual spend. The company's annual revenue is \$10 billion.

Deployment characteristics. The composite organization begins using apexanalytix solutions in Year 1, following a four-month implementation period. The apexanalytix solutions that the composite organization uses includes Supplier Management Portal (including Registration, Risk, Fraud Detect), Vendor Audit, Statement Audit, Intelligent Data, and Overpayment Prevention. The composite has signed onto a three-year term with apexanalytix.

While the composite organization has 45,000 total suppliers within their system, 20,000 of whom are considered active with recent transactions within the last year.

Three individuals at the composite organization are responsible for maintaining apexanalytix solutions, and they dedicate 50% of their time to managing the platform.

Key Assumptions

Headquartered in the US with global operations
\$10 billion in annual revenue
45,000 total suppliers
20,000 active suppliers

Analysis Of Benefits

Quantified benefit data as applied to the composite

| Total Benefits | | | | | | |
|----------------|---|-------------|-------------|-------------|-------------|---------------|
| Ref. | Benefit | Year 1 | Year 2 | Year 3 | Total | Present Value |
| Atr | Recovered duplicate payments and refunds | \$839,375 | \$839,375 | \$839,375 | \$2,518,125 | \$2,087,401 |
| Btr | Faster vendor discovery, banking validation, and onboarding | \$221,680 | \$258,740 | \$295,800 | \$776,220 | \$637,601 |
| Ctr | Improved productivity with managing current vendors | \$282,880 | \$282,880 | \$282,880 | \$848,640 | \$703,481 |
| Dtr | Reduced effort in compliance and legal activities | \$20,188 | \$24,225 | \$28,263 | \$72,675 | \$59,607 |
| | Total benefits (risk-adjusted) | \$1,364,123 | \$1,405,220 | \$1,446,318 | \$4,215,660 | \$3,488,090 |

RECOVERED DUPLICATE PAYMENTS AND REFUNDS

Evidence and data. Interviewees noted the solutions in the apexanalytix platform helped their organizations improve the recovery of duplicate payments and refunds from their vendors.

- Before implementing apexanalytix solutions, the interviewees struggled with invoicing errors and lack of control over the vendor management process. These challenges made it difficult to identify duplicate payments or recover financial rebates or credits.
- The associate accounting manager at a hospitality organization described what their payment recoveries looked like prior to implementing apexanalytix: “Before we had the portal, we had our own process that wasn’t anywhere near as good as what we have now with apexanalytix. We probably could have only prevented or been able to recover a third of what we can recoup now.”
- The accounting general manager at an airline and aviation services company discussed the speed and scale at which their organization was able to recover duplicate payments thanks to apexanalytix: “We started right away using apexanalytix’s Overpayment Prevention tool to look for duplicate payments. We were very impressed because just

using Overpayment Prevention within those first six months, we were able to recoup millions of dollars. We were really happy with that.”

Modeling and assumptions. For the financial analysis of the composite organization, Forrester assumes the following:

- The composite organization was previously only able to recover a small portion of its duplicate payments before implementing apexanalytix. It is assumed that the composite organization previously recovered approximately 30% of duplicate payments and now recovers 100% of those payments with apexanalytix solutions in place. Therefore, the delta is a 70% improvement in duplicate payment recovery.
- The \$1,500 average duplicate payment amount was similar to the range of average duplicate payment amounts of the interviewees’ organizations.
- The amount of credits and rebates recovered was also within a similar range to the interviewees’ organizations.

Risks. The following risks can potentially impact the reduced duplicate payment benefit:

- The amount of the duplicate payment is highly variable and could change depending on what types of products or services an organization is relying on for its business.
- The total amount of credits and rebates is also variable within any given organization. Typical payment practices differ widely depending on the industry norms of both the organization and the supplier.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$2.1 million.

70%

Improvement in duplicate payment recovery

“What stood out with apexanalytix was not only the good job they did on the recoveries, but their willingness to share the reasons for those duplicate payments. They really spent a lot of time going over those duplicates so that we were able to adjust our processes to avoid those same errors.”

ASSOCIATE ACCOUNTING MANAGER, HOSPITALITY

Recovered Duplicate Payments And Refunds

| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
|--------------------------------------|--|-----------------|--|------------------|------------------|
| A1 | Number of duplicate payments per year | Composite | 750 | 750 | 750 |
| A2 | Average size of duplicate payment | Composite | \$1,500 | \$1,500 | \$1,500 |
| A3 | Percentage of duplicate payments recovered with apexanalytix | Interviews | 70% | 70% | 70% |
| A4 | Subtotal: Savings on duplicate payment prevention | A1*A2*A3 | \$787,500 | \$787,500 | \$787,500 |
| A5 | Savings through credits or rebates with apexanalytix | Interviews | \$200,000 | \$200,000 | \$200,000 |
| At | Recovered duplicate payments and refunds | A4+A5 | \$987,500 | \$987,500 | \$987,500 |
| | Risk adjustment | ↓15% | | | |
| Atr | Recovered duplicate payments and refunds (risk-adjusted) | | \$839,375 | \$839,375 | \$839,375 |
| Three-year total: \$2,518,125 | | | Three-year present value: \$2,087,401 | | |

FASTER VENDOR DISCOVERY, ONBOARDING, AND BANKING VALIDATION

Evidence and data. Interviewees reported that their organizations saved valuable time by streamlining and automating the vendor discovery, screening, and onboarding processes. What previously was a series of manual and time-consuming tasks became automated, allowing the interviewees' organizations to onboard new vendors with apexanalytix and validate suppliers in real time.

- The controller at a grocery retail organization explained the complexities of the vendor onboarding process and detailed the amount of time their organization has been able to save: "So, every company is a little different, but for us the division starts the onboarding process, invites the vendor, and starts collecting the data. Then it's sent to the data governance group and then gets handed to accounts payable for set up. Before apexanalytix, this process was touched by eight people, and now the workload is about half of that."
- The accounting general manager at an airline and aviation company described similarly significant time savings: "[Screening suppliers] was all manual prior to the automation we got with implementing the apexanalytix portal. In the past, all the vendor information had to be keyed into our system manually. Then we had to check the OFAC [Office of Foreign Assets Control] list and check the tax ID numbers, and we also required a callback for banking verification. Since all of that was all done manually, I'd say we've avoided hiring multiple people ever since we were able to automate that with the portal."
- The associate accounting manager of the hospitality organization outlined some of the benefits of automated banking validation: "A time-consuming task in supplier management is validating bank account information when a new supplier onboards or there is a bank account change request. In the past, in order to do [bank account validation], I definitely would have had to hire a couple of contractors to help with that."

Modeling and assumptions. For the financial analysis of the composite organization, Forrester assumes the following:

- The composite organization has two employees who each spend 12 hours weekly on vendor screening. They save 40% of that time in Year 1 due to apexanalytix. This time savings increases to 60% in Year 3 because the composite organization has adapted its apexanalytix platform to be even more efficient in screening vendors.

ANALYSIS OF BENEFITS

- The composite has 4,400 banking validations it needs to complete annually. The time savings for each of these banking validations is 15 minutes, or a quarter of an hour.
- At the start of Year 1, the composite organization has four individuals spending half of their time on vendor onboarding. This time is reduced by 40% in Year 1 and by 60% in Year 3.

Risks. The following risks can potentially impact the vendor discovery, onboarding, and banking validation benefit:

- The salary for the employees involved in each of these vendor management activities could vary in salary levels depending on the experience and geographic location of the individuals in those roles.
- Vendor screening and onboarding savings could vary at different organizations depending on how processes improve, therefore impacting these benefits.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$638,000.

60%

Improvement in the speed of vendor onboarding and validation by Year 3

“[After an acquisition], we acquired all their suppliers. I ran them through apexanalytix’s data validation process, and I was able to obtain bank account and address validation immediately. I was then able to take that output and only set up the vendors that passed our validations.”

ASSOCIATE ACCOUNTING MANAGER, HOSPITALITY

ANALYSIS OF BENEFITS

| Faster Vendor Discovery, Onboarding, And Banking Validation | | | | | |
|--|---|---------------|--|------------------|------------------|
| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
| B1 | Hours saved annually through improved vendor screening and searching | Composite | 500 | 625 | 750 |
| B2 | Fully burdened hourly rate for a vendor management FTE | TEI standard | \$80 | \$80 | \$80 |
| B3 | Subtotal: Faster vendor discovery and screening | B1*B2 | \$40,000 | \$50,000 | \$60,000 |
| B4 | Hours saved annually through automated banking validation | Interviews | 1,100 | 1,100 | 1,100 |
| B5 | Fully burdened hourly rate for a vendor management FTE | TEI standard | \$80 | \$80 | \$80 |
| B6 | Subtotal: Faster banking validation | B4*B5 | \$88,000 | \$88,000 | \$88,000 |
| B7 | Hours saved annually through improved vendor onboarding | Composite | 1,660 | 2,080 | 2,500 |
| B8 | Fully burdened hourly rate for a vendor management FTE | TEI standard | \$80 | \$80 | \$80 |
| B9 | Subtotal: Faster vendor onboarding | B7*B8 | \$132,800 | \$166,400 | \$200,000 |
| Bt | Faster vendor discovery, onboarding, and banking validation | B3+B6+B9 | \$260,800 | \$304,400 | \$348,000 |
| | Risk adjustment | ↓15% | | | |
| Btr | Faster vendor discovery, onboarding, and banking validation (risk-adjusted) | | \$221,680 | \$258,740 | \$295,800 |
| Three-year total: \$776,220 | | | Three-year present value: \$637,601 | | |

IMPROVED PRODUCTIVITY WITH MANAGING CURRENT VENDORS

Evidence and data. Interviewees noted that their organization improved processes and tightened controls around ongoing supplier management tasks with apexanalytix, therefore gaining time savings.

- The interviewees explained how the apexanalytix platform eased the burden of managing suppliers on an ongoing basis. Beyond just the recovery of duplicate payments, interviewees saved time in resolving these vendor transaction issues quickly with the help of apexanalytix solutions.
- The global process owner at a manufacturing company discussed how their organization was able to improve vendor management processes to save time: “It’s been very helpful for us to be able to identify bottlenecks and enhance the process. ... After implementing, we made some wording changes and updates to the items we were requesting to the supplier. We now incorporate a proactive support line so we can reach out to the vendor

ANALYSIS OF BENEFITS

and help them with whatever documentation they need to fill out in the system. I would say that in the past, one single case could've taken us days or weeks to prove the root cause analysis. Now that is pretty much instant.”

- The controller at a grocery retail organization reiterated their company's significant time savings by promoting apexanalytix's vendor self-service capabilities: “[Having vendors self-service] was a pretty big deal because it stopped people from calling my staff to ask where their check was. We got to a point where we just stopped taking those phone calls. We said, ‘If you have a question, you need to go to the portal and look it up yourself.’ So that was a huge benefit to our company — I'm talking thousands of hours of time savings just by implementing the portal, which is a very inexpensive and easy process.”

Modeling and assumptions. For the financial analysis of the composite organization, Forrester assumes the following:

- The composite organization saves two full-time equivalents (FTEs) by implementing apexanalytix.
- The salary for the vendor management staff is the same as the salary reflected in the faster vendor onboarding benefit.

Risks. The following risks can potentially impact the productivity with managing current vendors benefit:

- While vendor self-service can save an organization time, there are also risks that the administrative staff at the supplier makes errors themselves — especially during the early phases of their relationship with the organization. This could impact the financial savings in this benefit category.
- The salary considerations for the vendor management team could vary based on their geographic location, the experience level of the individual employees, and other factors.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$703,000.

40%

Time savings for ongoing supplier management tasks

“We were looking for something very simple that our vendors could go into and see where their payments were. Did we receive their invoice? Had we issued a check yet? So having a self-service vendor portal was a pretty big deal because it stopped people from calling my staff asking where their check was.”

CONTROLLER, GROCERY RETAIL

Improved Productivity With Managing Current Vendors

| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
|------------------------------------|---|--------------|--|-----------|-----------|
| C1 | Annual vendor management hours prior to apexanalytix | Composite | 10,400 | 10,400 | 10,400 |
| C2 | Percentage of labor automated or made self-service by apexanalytix | Interviews | 40% | 40% | 40% |
| C3 | Fully burdened hourly rate for a vendor management FTE | TEI standard | \$80 | \$80 | \$80 |
| Ct | Improved productivity with managing current vendors | C1*C2*C3 | \$332,800 | \$332,800 | \$332,800 |
| | Risk adjustment | ↓15% | | | |
| Ctr | Improved productivity with managing current vendors (risk-adjusted) | | \$282,880 | \$282,880 | \$282,880 |
| Three-year total: \$848,640 | | | Three-year present value: \$703,481 | | |

REDUCED EFFORT IN COMPLIANCE AND LEGAL ACTIVITIES

Evidence and data. Interviewees said their organizations' compliance and legal teams saved time. Apexanalytix solutions reduced the number of vendor issues that escalated to the legal team and improved turnaround time for resolving any claims of fraud.

- Prior to apexanalytix, the interviewees' organizations would have to cross-check these vendor profiles manually and the siloed nature of this information made it difficult to resolve these vendor issues quickly.
- The global process owner at a manufacturing organization cited improvements in both the transactional and legal processes with respect to their suppliers. Before apexanalytix, their organization had a five-day service level agreement (SLA) with the legal team on resolving these vendor compliance issues. That was reduced to two days with apexanalytix solutions in place.
- The global process owner discussed how their internal teams were able to improve: "For any of these vendor transactions, there are two entities that participate. One is the business services team that is responsible for the operational task of ensuring that vendor information is accurate, and the other area is legal or compliance. Now that both teams are integrated within the same tool, we are able to save time in resolving any claim or issue with vendor fraud."

Modeling and assumptions. For the financial analysis of the composite organization, Forrester assumes the following:

- The composite organization reduces time spent on supplier-related compliance issues by 50% in Year 1.
- The time spent resolving these legal issues continues to be reduced in each subsequent year as the compliance team at the composite organization begins to recognize commonly occurring issues within their supplier network and takes steps to improve the apexanalytix platform to proactively flag potential fraud.

Risks. The following risks can potentially impact the reduced effort in compliance and legal activities benefit:

- The number compliance issues that escalate to the legal team annually could differ based on the characteristics of an organization's suppliers, including their ability to self-

service their account, their level of sophistication, their industry, and the size of their administrative staff.

- The salary of legal and compliance team members could vary based on factors such as geographic location, cost of living, and the level of experience that these individual roles have.

Results. To account for these risks, Forrester adjusted this benefit downward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$60,000.

50%

Reduction in resolution times for compliance and legal teams in Year 1

“Apexanalytix has probably saved us millions of dollars as it relates to fraudulent vendor activity. We get vendors trying to set up fraudulent ID numbers all the time. Now, with the platform in place, we have a lot of checks and balances along the way.”

CONTROLLER, GROCERY RETAIL

ANALYSIS OF BENEFITS

| Reduced Effort In Compliance And Legal Activities | | | | | |
|---|--|-----------------|------------------------------------|----------|----------|
| Ref. | Metric | Source | Year 1 | Year 2 | Year 3 |
| D1 | Legal team turnaround time SLAs with compliance issues prior to apexanalytix (hours) | Composite | 20 | 20 | 20 |
| D2 | Legal team turnaround time SLAs with compliance issues after apexanalytix (hours) | Composite | 10 | 8 | 6 |
| D3 | Number of vendor compliance issues encountered annually | Composite | 25 | 25 | 25 |
| D4 | Fully burdened hourly rate for a legal FTE | TEI standard | \$95 | \$95 | \$95 |
| Dt | Reduced effort in compliance and legal activities | $(D1-D2)*D3*D4$ | \$23,750 | \$28,500 | \$33,250 |
| | Risk adjustment | ↓15% | | | |
| Dtr | Reduced effort in compliance and legal activities (risk-adjusted) | | \$20,188 | \$24,225 | \$28,263 |
| Three-year total: \$72,675 | | | Three-year present value: \$59,607 | | |

UNQUANTIFIED BENEFITS

Interviewees mentioned the following additional benefits that their organizations experienced but were not able to quantify:

- Enhanced operational efficiency.** Interviewees noted that apexanalytix helped their organizations gain more control over their supplier transactions in ways that were beneficial but not necessarily quantifiable in this financial model. Armed with increased knowledge and newfound visibility into their vendor network, the interviewees' organizations were able to design structures and processes that fit their unique operational and financial needs. The associate manager of accounting at a hospitality organization told a short anecdote of how apexanalytix helped them adjust their operational approach so that it was more advantageous to their organization: "It was pretty well known that for an organization our size, we paid our invoices too early. Any invoice dated during a calendar month would pay out on the seventh of the following calendar month. So, it could be as quick as seven-day payment terms in some instances. We wanted to push that out further, but were concerned about how a lot of our suppliers would feel. We waited until we had a dynamic discounting program up and running so that we could then let our vendors know that — while we extended their

terms — they could also go in and manage invoices and payment timing now, which proved to be a huge benefit for us in the end.”

- **Avoided fraud and reputational damage.** As supplier networks become larger and increasingly complex, companies tend to leave themselves more vulnerable to fraudulent activity. Interviewees noted that implementing apexanalytix helped their organizations fully vet their suppliers in an ongoing, automated way. They credited apexanalytix with reducing their vulnerabilities to additional vendor risk, such as improving on time payments (to reduce potential late fees), decreasing payments via check (and using ETF instead), and reducing the number of B notices received from the IRS. The increased controls that apexanalytix solutions provided helped the interviewees’ companies combat fraud and avoid administrative burden and reputational damages, even though those benefits weren’t able to be quantified in the financial model.

“Since we can get a vendor set up more quickly now, we shouldn’t be paying as many late fees because we’re setting up new vendors accurately the first time. We’re not sending an invoice to the wrong address or typing something in wrong on a check, so it gets returned.”

ASSOCIATE ACCOUNTING MANAGER, HOSPITALITY

FLEXIBILITY

The value of flexibility is unique to each customer. There are multiple scenarios in which a customer might implement apexanalytix and later realize additional uses and business opportunities, including:

- **Increased business connections and opportunities to share best practices.** Interviewees discussed how they were able to connect with their industry peers to discuss best practices and ways in which they can benefit from the apexanalytix platform. Because of the breadth of the apexanalytix customer base, interviewees explained that many of their peer organizations and competitors also used apexanalytix solutions. The controller at a grocery retail organization explained: “Through apexanalytix, I’ve formed lots of relationships with my peers at other large grocery retail organizations who also use apexanalytix. It goes beyond just sharing information about the platform itself. We share information about how to run our accounting departments and how things are going from a business standpoint. I think there’s been a huge benefit for us just being a part of the apexanalytix environment and sharing those stories.”
 - **Partnership with apexanalytix and having a reciprocal relationship of sharing feedback.** Interviewees cited that apexanalytix has been responsive to feedback and requests. This dialogue not only helped improve the unique relationship between apexanalytix and individual organizations, but it also helped in recommending updates to improve the apexanalytix platform. The global process owner at a manufacturing organization described their apexanalytix partnership in the following way: “We consider ourselves like a partner to apexanalytix because we requested changes to the platform and worked with the apexanalytix team to help get those updates released. These changes are not only great for us, but they also benefited other clients. I’d say we’ve built a good relationship with apexanalytix, and they are committed to helping us with our business needs.” The same is also true in reverse: apexanalytix wants to be an involved solutions provider and interviewees said that they were open to feedback about their business practices. The accounting general manager at an airline and aviation services company summed up their organization’s partnership with apexanalytix: “We consider apexanalytix a strategic partner with us, and our philosophy is that if someone can do something better and cheaper and faster, let them do it. So basically, if apexanalytix comes to us with any kind of product or solution that can do those things, we are very much open to it.”
-

Flexibility would also be quantified when evaluated as part of a specific project (described in more detail in [Appendix A](#)).

“Not only was apexanalytix the best contender from an accounts payable standpoint, but I also think one of the main reasons we partnered with them was the relationship and trust we had built with them from the years of doing business in other areas.”

ASSOCIATE ACCOUNTING MANAGER, HOSPITALITY

Analysis Of Costs

Quantified cost data as applied to the composite

| Total Costs | | | | | | | |
|-------------|---|-----------|-----------|-----------|-----------|-------------|---------------|
| Ref. | Cost | Initial | Year 1 | Year 2 | Year 3 | Total | Present Value |
| Etr | Ongoing resource and subscription costs | \$0 | \$472,080 | \$472,080 | \$472,080 | \$1,416,240 | \$1,173,993 |
| Ftr | Implementation and startup costs | \$127,604 | \$0 | \$0 | \$0 | \$127,604 | \$127,604 |
| | Total costs (risk-adjusted) | \$127,604 | \$472,080 | \$472,080 | \$472,080 | \$1,543,844 | \$1,301,597 |

ONGOING RESOURCE AND SUBSCRIPTION COSTS

Evidence and data. Interviewees outlined the licensing costs for apexanalytix solutions, along with the ongoing managerial resources required to operate the platform.

- The combined licensing costs for Supplier Management Portal, Overpayment Prevention, Vendor Audit, Statement Audit, and Fraud Detect varied for interviewees based on their organization's size and the number of active vendors within their company's network.
- Ongoing platform maintenance resources required were also varied within each interviewee's organization, with some organizations periodically employing apexanalytix services for external audits and consulting work.

Modeling and assumptions. For the financial analysis, Forrester assumes the following:

- With 20,000 active suppliers in their network and \$10 billion in annual revenue, the composite organization can expect to pay \$200,000 annually for licensing apexanalytix supplier management software products, including Supplier Management Portal, Overpayment Prevention, Vendor Audit, Statement Audit, and Fraud Detect.
- Three people working 50% of their time can manage the ongoing tasks within apexanalytix platform.

ANALYSIS OF COSTS

Risks. The following risks can potentially impact the ongoing research and subscription costs:

- Licensing costs could vary due to a variety of factors, including an organization's size, number of suppliers, additional services purchased, discounts, and other circumstances.
- Individuals involved with maintaining the apexanalytix platform could have an average salary that is higher or lower than those who are in these maintenance roles at the composite organization.

Results. To account for these risks, Forrester adjusted this cost upward by 5%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$1.2 million.

| Ongoing Resource And Subscription Costs | | | | | | |
|---|---|---------------------|--|-----------|-----------|-----------|
| Ref. | Metric | Source | Initial | Year 1 | Year 2 | Year 3 |
| E1 | Annual licensing/subscription fees for all modules | Composite | | \$200,000 | \$200,000 | \$200,000 |
| E2 | Annual hours required to maintain apexanalytix | Composite | | 3,120 | 3,120 | 3,120 |
| E3 | Fully burdened annual salary for a maintenance FTE | TEI standard | | \$80 | \$80 | \$80 |
| Et | Ongoing resource and subscription costs | $E1+(E2 \times E3)$ | | \$449,600 | \$449,600 | \$449,600 |
| | Risk adjustment | ↑5% | | | | |
| Etr | Ongoing resource and subscription costs (risk-adjusted) | | \$0 | \$472,080 | \$472,080 | \$472,080 |
| Three-year total: \$1,416,240 | | | Three-year present value: \$1,173,993 | | | |

IMPLEMENTATION AND STARTUP COSTS

Evidence and data. Interviewees mentioned that there were costs associated with implementation and startup of apexanalytix.

- Depending on the unique needs of each individual organization, interviewees stated that implementation could take anywhere from six weeks to eight months.
- Implementation typically involved IT staff and senior team members from the accounts payable team.

Modeling and assumptions. For the financial analysis, Forrester assumes the following:

- The composite organization uses three staff members who work on implementation for 50% of their time for three months — two members are on the IT team, and one is an accounts payable director for oversight.
- This implementation work takes place prior to Year 1 of the financial model.
- The composite organization completes the implementation largely using its own staff. The composite does not utilize apexanalytix add-on implementation services, nor does it outsource implementation to a third-party consultant.

Risks. The following risks can potentially impact the implementation and startup costs:

- The length and complexity of the composite organization's implementation depends on a variety of factors, such as the structure of previous vendor management systems, the diversity of their supplier network, and the capability of their vendors to self-service.
- Implementation could be completed in phases instead of simultaneously. That would make the implementation process have a longer duration at a lower percentage of staff time.
- An organization could utilize third-party implementation consulting services or apexanalytix implementation services, which would add costs but likely save time.

Results. To account for these risks, Forrester adjusted this cost upward by 15%, yielding a three-year, risk-adjusted total PV (discounted at 10%) of \$128,000.

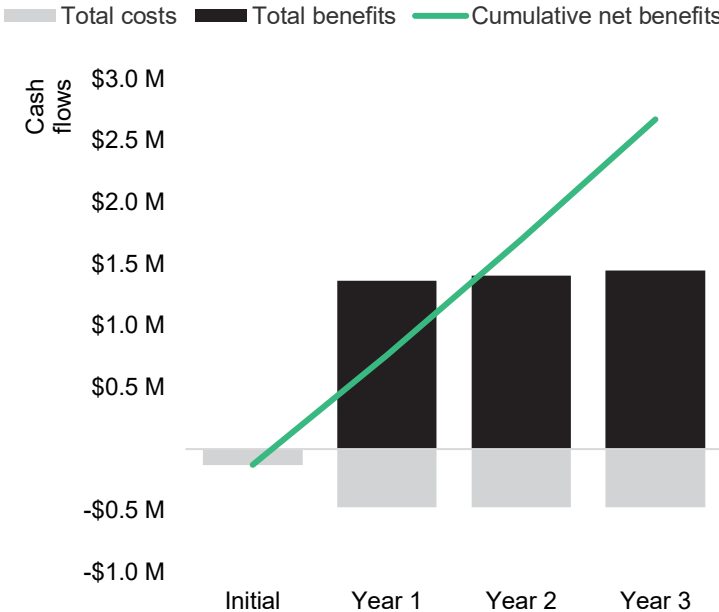
ANALYSIS OF COSTS

| Implementation And Startup Costs | | | | | | |
|------------------------------------|--|--------------|--|--------|--------|--------|
| Ref. | Metric | Source | Initial | Year 1 | Year 2 | Year 3 |
| F1 | Hours of implementation work needed | Composite | 1,387 | | | |
| F2 | Fully burdened hourly rate for an implementation team member | TEI standard | \$80 | | | |
| Ft | Implementation and startup costs | F1*F2 | \$110,960 | \$0 | \$0 | \$0 |
| | Risk adjustment | ↑15% | | | | |
| Ftr | Implementation and startup costs (risk-adjusted) | | \$127,604 | \$0 | \$0 | \$0 |
| Three-year total: \$127,604 | | | Three-year present value: \$127,604 | | | |

Financial Summary

Consolidated Three-Year, Risk-Adjusted Metrics

Cash Flow Chart (Risk-Adjusted)



The financial results calculated in the Benefits and Costs sections can be used to determine the ROI, NPV, and payback period for the composite organization’s investment. Forrester assumes a yearly discount rate of 10% for this analysis.

These risk-adjusted ROI, NPV, and payback period values are determined by applying risk-adjustment factors to the unadjusted results in each Benefit and Cost section.

| Cash Flow Analysis (Risk-Adjusted Estimates) | | | | | | |
|--|-------------|-------------|-------------|-------------|---------------|---------------|
| | Initial | Year 1 | Year 2 | Year 3 | Total | Present Value |
| Total costs | (\$127,604) | (\$472,080) | (\$472,080) | (\$472,080) | (\$1,543,844) | (\$1,301,597) |
| Total benefits | \$0 | \$1,364,123 | \$1,405,220 | \$1,446,318 | \$4,215,660 | \$3,488,090 |
| Net benefits | (\$127,604) | \$892,043 | \$933,140 | \$974,238 | \$2,671,816 | \$2,186,493 |
| ROI | | | | | | 168% |
| Payback (months) | | | | | | <6 months |

APPENDIX A: TOTAL ECONOMIC IMPACT

Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

Total Economic Impact Approach

Benefits represent the value delivered to the business by the product. The TEI methodology places equal weight on the measure of benefits and the measure of costs, allowing for a full examination of the effect of the technology on the entire organization.

Costs consider all expenses necessary to deliver the proposed value, or benefits, of the product. The cost category within TEI captures incremental costs over the existing environment for ongoing costs associated with the solution.

Flexibility represents the strategic value that can be obtained for some future additional investment building on top of the initial investment already made. Having the ability to capture that benefit has a PV that can be estimated.

Risks measure the uncertainty of benefit and cost estimates given: 1) the likelihood that estimates will meet original projections and 2) the likelihood that estimates will be tracked over time. TEI risk factors are based on "triangular distribution."

PRESENT VALUE (PV)

The present or current value of (discounted) cost and benefit estimates given at an interest rate (the discount rate). The PV of costs and benefits feed into the total NPV of cash flows.

NET PRESENT VALUE (NPV)

The present or current value of (discounted) future net cash flows given an interest rate (the discount rate). A positive project NPV normally indicates that the investment should be made unless other projects have higher NPVs.

RETURN ON INVESTMENT (ROI)

A project's expected return in percentage terms. ROI is calculated by dividing net benefits (benefits less costs) by costs.

DISCOUNT RATE

The interest rate used in cash flow analysis to take into account the time value of money. Organizations typically use discount rates between 8% and 16%.

PAYBACK PERIOD

The breakeven point for an investment. This is the point in time at which net benefits (benefits minus costs) equal initial investment or cost.

The initial investment column contains costs incurred at “time 0” or at the beginning of Year 1 that are not discounted. All other cash flows are discounted using the discount rate at the end of the year. PV calculations are calculated for each total cost and benefit estimate. NPV calculations in the summary tables are the sum of the initial investment and the discounted cash flows in each year. Sums and present value calculations of the Total Benefits, Total Costs, and Cash Flow tables may not exactly add up, as some rounding may occur.

APPENDIX B: ENDNOTES

¹ Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

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