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Ken Male,
Co-Founder & CEO

CXO Nexus

THE QUINTESSENTIAL INTELLIGENT
VENDOR SPEND ANALYTICS

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CXO Nexus

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Theran Lee,
Co-Founder & CTO

THE QUINTESSENTIAL INTELLIGENT VENDOR SPEND ANALYTICS

By Abhinav Sharma

rrespective of the industry, a detailed analysis and assessment of "What, Why, and How?" is the prerequisite for business success.

The "What:" Amidst the plethora of vendors, their complex product portfolios and sheer volume of purchases gaining process visibility into interactions between every trading partner, and making decisions based on real-time information, has become a centrally unifying theme for the executive landscape. A lack of full visibility into the vendor ecosystem opens the door to risk, excess spend and impedes collaboration.
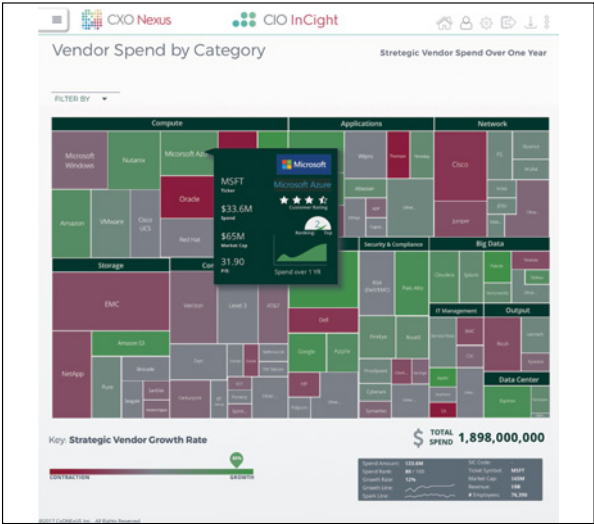
The "Why:" Manually managing and gaining real-time visibility into vendor spend becomes nearly impossible due to transaction volume, purchasing through resellers, data quality and the inability of current financial systems to properly classify and categorize the data. This translates to risk exposure, loss of leverage and inability for the C-suite to effectively manage their operation when they struggle with understanding how they spend half of their annual budget.

The "How:" CXO Nexus builds Intuitive Intelligence systems that provide enterprise leaders with real time visibility into vendor spend, that affords transparent, timely, and prescriptive insights. The C-suite is then empowered to make increasingly smarter and faster decisions with less risk, while fostering cross function collaboration.

Given the inability of current financial systems and manual, point-in-time, EXCEL-based processes that are in use today, most organizations find it challenging to increase profitability and optimize cost as they lack a complete view of vendor activities and their impact on company spend. An industry veteran with over thirty years of experience in technology and financial services, and the co-founder and CTO at CXO Nexus, Theran Lee tackled the issues while being a senior IT leader at a renowned financial services firm. "For the C-suite, drawing contextual insights from highly complex data sets is one of the biggest challenges in streamlining corporate spend. We provide aggregated data insights to help them understand the key market dynamics via fact-based data where the source is the Financial Systems of Record," asserts Lee.

Diving Deep into the AI Opportunity

After encountering difficulties in using ubiquitous finance and procurement systems to monitor organizational spend and vendor sprawl effectively, Lee realized the truth in the adage: "If you want something done right, you have to do it yourself." He embarked on a mission to create a platform that cleaned, classified and categorized an organization's vendor spend in real time. Along with Ken Male—CEO and co-founder of CXO Nexus, who has extensive experience advising the C-suite with fact-based market data as the founder of The InfoPro (TIP), along with leadership roles at Gartner, Apptio, and Jupiter, the journey to make CXO Nexus the

standard for vendor spend visibility began. In order to develop a powerful interactive visualization platform that can be customized to incorporate any vendor data set, CXO Nexus created an AI and Machine Learning-based platform to address the daunting tasks of classifying, standardizing, and normalizing vendor spend data.

The CXO Nexus platform is able to offer real-time spending, trend analysis, peer benchmarking, and aggregated insight, using its Visual Fusion Engine™ (VFE™). The VFE™ is what underpins and enables the platform to incorporate the deep data insights with comprehensive data-visualization tools. Instead of relying on manual inputs, the engine goes directly to the source by accessing category and vendor spend data from the financial systems of record. It extracts, cleans and classifies the information to accurately analyze vendor spend, bringing automation to the process of cost and risk reduction.

The VFE™ is a simple, agnostic overlay that ingests data from financial systems via simple shared files or APIs into its fault-tolerant pipeline architecture for ETL. The engine uses advanced data science and deep learning neural network techniques to accurately clean, classify, and enrich data for maximum visibility.
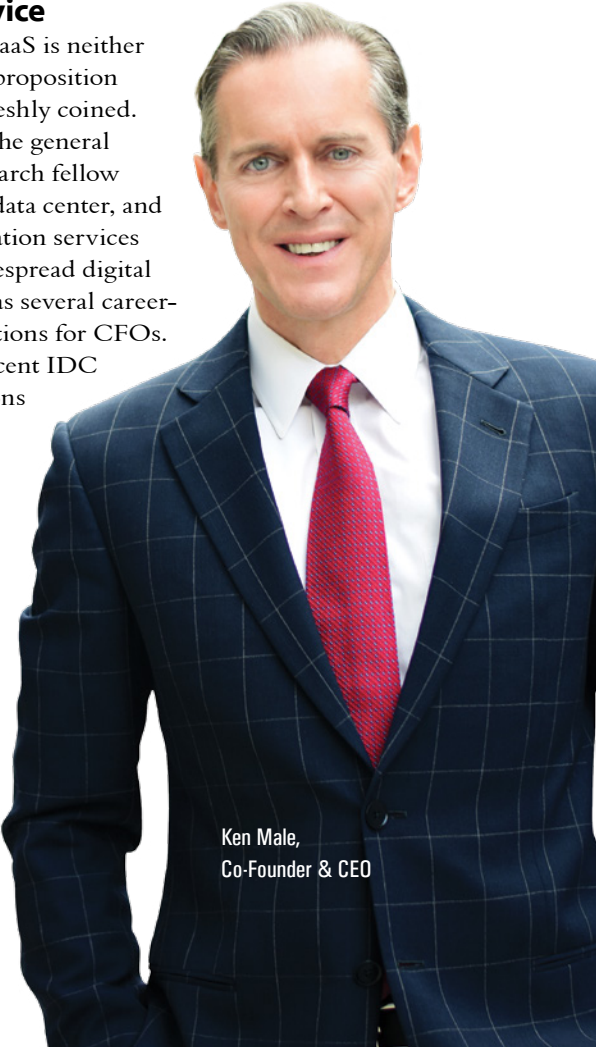
CXO Nexus is the first non-SAP owned entity to be a member of the SAP Business Network enabling API access to SAP clients that leverage the platform. SAP will be bringing the product to market in 2019 and there will be sessions at flagship events throughout the year titled "SAP Business Network

—Enabling the Intelligent Enterprise with SAP Partner—CXO Nexus". As Male comments "The SAP Business Network affords seamless, scalable, secure access to data enabling us to efficiently process $ billions of spend in a timely fashion."

At its core, CXO Nexus accelerates the intelligent enterprise through the seamless use of advanced analytics. What separates them from the crowd is their experience in knowing which persona-based business insights are most salient, in order to best extract relevance from a sea of data. They allow specific C-suite functions like the CIO and CMO to get real time visibility into their vendor spend in a purpose-built taxonomy that matches how they run their business. Money saving insight, financial literacy and cross discipline collaboration are often cited as an outcome of the SaaS delivery that gets used throughout the organization. Embedded in the offering is the ability to compare to peers while at the same time gaining insight on market trends and vendor performance via the aggregated, anonymized data.

Experts say Now is the Time for Data as a Service

The concept of DaaS is neither just a theoretical proposition nor is the term freshly coined. Michelle Bailey, the general manager and research fellow for IDC's cloud, data center, and digital transformation services explains that widespread digital transformation has several career-changing implications for CFOs. According to a recent IDC study, organizations expect to spend more on digital infrastructure—computers, software, IT services, and data centers—in 2019 than on physical infrastructure—heavy equipment, buildings, and roads. It has enormous implications

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for a CFO's capex and opex strategies, budgeting, asset management approaches, and tax implications of the entire company.

IDC estimates that the typical data scientist spends more than 80 percent of their time on tasks not related to training, scoring, or evaluation of AI workloads and data, and instead, spends the bulk of their time on preparation activities such as data integration, model development, and data cleaning. "A new generation of service providers such as CXO Nexus will shortcut the time to insights for finance organizations, bringing qualified staff, rapid ETL capabilities, pre-built algorithms trained across varied datasets and visualization based on roles," states Michelle.
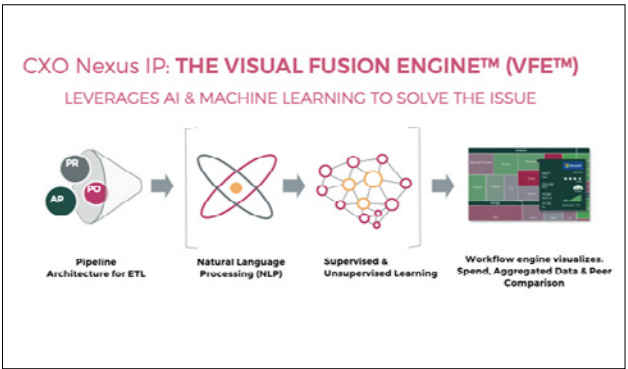
Inspiring Profound Customer Experience

CXO Nexus has been effectively progressing ahead in its journey to eradicate the business problems revolving around categorization and data transparency issues. The company aims to eliminate vendor-spend distortions that stem from purchasing via the channel. In addition, leveraging AI identifies business led spend that often falls out of the purview of central functions.

Mike Azarian, the former CIO of Citibank Retail, CTO of JP Morgan Chase, and advisory board member, asserts that there was nothing more powerful for him than aligning and arming his C-suite colleagues with the same information and background material to support strategic vendor investment recommendations. Empowering the management team with confidence in the information provided trust, furthered collaboration, and saved significant time to achieve consensus. According to Workday's Global Finance Leader study, only about one-third of finance leaders feel they enjoy a seamless collaboration with key C-suite peers today. This is changing as CFOs and their finance teams recognize the need to reach across the organization for comprehensive planning and assist in identifying expense reduction opportunities.

Meanwhile, pulling this data together across various geographies, platforms, and vendors as well as aligning and classifying the information in a digestible format often took Herculean efforts. And when they had it

all sorted, categorized, and validated together, it was already aged. "CXO Nexus solves this problem by providing purpose-built, real-time information from all available financial sources. The same underlying categorized data can be presented and shared across different persona-based visualization tools. CXO Nexus is the product to front-end all your in-place Financial and Vendor Management solutions," asserts Azarian. He explains that to have confidence in the data, supporting various organizational constituencies of the C-suites with the same information, and move quickly to the benefit of the organization requires intelligent, continuous learning, and automation. "CXO Nexus has cracked the code for managing the details with its proprietary 'AI Classification Engine.' This is the foundation for providing purpose-built, C-suite visualization capabilities, giving real-time data on where you spend, how you spend, and with whom you spend your investment dollars," he explains.

Charting the Vendor-Spend Disruption Waters

"On the roadmap is identifying best-practices that will proactively prescribe savings and risk mitigation opportunities, helping leadership achieve meaningful signal out of all of the vendor data noise," states Lee

Amongst the ever-increasing solution providers providing DaaS, CXO Nexus—being persona-driven, stays ahead of the curve with its "Durable Differentiator"- classifying and categorizing vendor spend by role and function. "CXO Nexus makes financial system data actionable and usable for the C-suite and their organization— which are not characteristics of existing systems today," asserts Male.

With developments like this, CXO Nexus' vested interest in the category it has created is making waves in the industry, and sure enough, they are continually raising the bar for industry peers. **CT**