



IN THE NEWS

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Stanford Global Supply Chain Management Forum Study Uncovers Significant Value in B2B Outsourcing

Study Participants Report 245 Percent Return on Investment as well as Significant Improvements in Customer Satisfaction and B2B Technical Capabilities

October 17, 2007 — GXS, a leading provider of business-to-business (B2B) e-commerce solutions, today unveiled the results from a Stanford University research study concluding companies deploying B2B outsourcing solutions experience a return that is 245 percent greater than their annual investment and a 62 percent improvement in customer satisfaction. The research study was conducted by the Stanford Global Supply Chain Management Forum (<http://www.gsb.stanford.edu/scforum/>), led by recognised supply chain expert, Dr. Hau Lee. The study which surveyed companies outsourcing some or all their B2B operations, sought to establish if customers benefit from outsourcing, and if so, how and how much. Conclusions from the study indicate that companies that outsource B2B programs benefit not only from improved customer satisfaction, but also from improved B2B technical capabilities, greater competitive differentiation, greater inventory visibility, increased system uptime and availability, as well as increased return on investment (ROI). A full copy of the report can be downloaded at www.gxs.co.uk.

The companies participating in this survey span the globe and represent a variety of industries, including high-tech, manufacturing, financial services, retail/consumer packaged goods and healthcare. They range in size from less than \$500 million in revenue to more than \$10 billion. The participants identified the following as their primary business drivers for outsourcing B2B: reducing costs; enhancing B2B capabilities; improving supply chain efficiency; centralising vendor management and improving customer experience, among others. Actual benefits reported included:

- 62 percent average increase in customer satisfaction;
- 75 percent average increase in B2B technical capabilities;
- 58 percent average improvement in inventory visibility;
- 55 percent average improvement in predictability of IT costs; and
- 41 percent improvement in B2B system uptime/availability.

In addition, 76 percent of the participants achieved a return that is more than double their annual investment.

"Corporate performance is inextricably intertwined with supply chain excellence. This study demonstrates that companies that outsource B2B programs improve and streamline interactions with suppliers and customers alike, and benefit from superior B2B technical capabilities," said Hau Lee, Ph.D., director of the Stanford Global Supply Chain Management Forum. "By extension, companies that outsource B2B programs have more efficient supply chains which directly impact

corporate performance for the better. The benefits of B2B outsourcing are compelling, and the proof lies in the results of this study.”

Additional benefits of B2B outsourcing relate to the reduced need for internal resources to support B2B programs. More than 50 percent of the participants reported reductions in the need for full-time employees to support B2B connections and trading partner interactions. However, those same companies also experienced a greater level of global B2B support with the availability of local language resources and regional standards support. In addition, the companies were able to reduce their internal training costs associated with B2B standards and protocols.

"For most companies, B2B is a menagerie of standards, protocols, document types and business processes. Managing that menagerie on their own is at best difficult, at worst, impossible. More and more companies are beginning to realise that outsourcing B2B programs makes sense and improves their ability to meet customer expectations and gain better insight into their supply chains," said Bobby Patrick, chief marketing officer of GXS. "These study results outline the tremendous value GXS Managed Services brings to customers in the form of lower costs, greater flexibility and increased customer satisfaction."

The Stanford Global Supply Chain Management Forum (the Forum) is a leading research institute in partnership with industry, and the School of Engineering and Graduate School of Business at Stanford University that advances the theory and practice of excellence in global supply chain management. Working with approximately 30 industry organisations, the Forum is actively engaged with a broad cross-section of leading and emerging industries to identify, document, research, develop and disseminate best practices in a dynamic and increasingly global economic business environment. Hau Lee, the Forum director, is the Thoma Professor of Operations, Information and Technology at the Stanford Graduate School of Business. His work has been widely published in journals such as *Management Science*, *Harvard Business Review*, *Sloan Management Review*, *Supply Chain Management Review* and *Interfaces*. Representatives from the Forum will be presenting the results of this study in a webinar on November 8 at 2:00 p.m. ET. Registration information for this webinar can be found at www.gxs.co.uk.

GXS' B2B outsourcing solution, GXS Managed Services, empowers customers with the technical infrastructure to conduct global B2B programs. Features include hosted integration services, data translation, transaction visibility, systems administration and robust reporting capabilities. GXS Managed Services also includes unmatched B2B expertise for the delivery of world-class B2B program management, trading community management and customer support. The solution gives companies the ability to transact using any B2B standard or protocol, enabling cost effective management flow of critical information across trading communities.

About GXS

GXS is a leading global provider of B2B e-commerce solutions that simplify and enhance business process integration, synchronisation and collaboration among trading partners. Organisations worldwide, including 75 percent of the Fortune 500, leverage the on-demand services on GXS Trading Grid[®] to extend supply networks, optimise product launches, automate warehouse receiving, manage electronic payments and gain supply chain visibility. With an unmatched global

presence, GXS Managed Services empowers customers with the people, processes and technology to conduct global B2B e-commerce with all its trading partners.

Based in Gaithersburg, Md., GXS' extensive global network serves customers throughout the Americas, Europe and Asia-Pacific regions. GXS can be found on the Web at www.gxs.co.uk.

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