



## F3 2021 - Data, Brain, and Tools. A Look at the LBMX Product Strategy.

### Summary

This document is complementary to our annual LBMX Future First Forum (F3) which provides LBMX group customers with an understanding of our product direction and development priorities. It considers our solution from the perspective of our core foundation elements: OneConnect (data), Genesis (brain) and My Marketplace (tools). The purpose, value and future enhancements of the elements will be described in this short paper.

There are a number of significant directional initiatives planned. These include:

- LBMX will begin to apply artificial intelligence (AI) and machine learning (ML) to each of our foundation elements to enhance the value of data processed through LBMX platforms.
- LBMX Rebate Management will evolve to become a fully web-based solution and include additional functionality such as advanced forecasting and integration to vendor buying agreements.
- The LBMX Document Centre product will become My Marketplace, incorporating a new look and feel and additional functionality such as advanced messaging and activity management.
- LBMX Solution Centre will be replaced by a new generation LBMX Genesis product incorporating initial AI technology in a fully web-based platform.
- LBMX OneConnect will add additional document types for use by Marketplace applications including vendor price changes and sales activity.
- LBMX B2B eCommerce will receive a new design, user interface as well as functional enhancements.



## LBMX OneConnect

LBMX OneConnect is our core foundation element as it provides the data that powers our platform solution. It is a production grade cloud-based EDI platform. It is based on a unique one-to-many architecture, providing the opportunity for suppliers and independent businesses to connect once to LBMX and then electronically connect with all commercial partners. This approach is of significant value in connecting supply chains consisting of independent businesses, suppliers and buying groups.

LBMX OneConnect makes it possible for Purchase Orders (PO's), Purchase Order Acknowledgements (POA's), Advanced Shipment Notifications (ASN's) and Invoices to flow to both buyers and sellers with one simple connection. LBMX OneConnect helps deliver each document type seamlessly and utilizes well recognized EDI standards to make the process simple for all parties to connect. Buying groups find this approach useful as they can connect hundreds of supplier partners to provide real-time electronic invoices to their members facilitating payment, rebate processing and high value analytics.

### Value

The value of LBMX OneConnect stems from its one-to-many architecture. Buying Groups, suppliers and independent businesses can connect once and trade with all their partners, reducing the cost and time associated with traditional EDI set-up and processing. The cloud-based out-sourced approach means there is no need to invest in expensive IT resources or build an EDI department. LBMX handles it all from set-up, through document processing, to support. Most importantly, since the LBMX approach achieves significant levels of traction, you will have access to the real-time data needed for advanced analytics, rebate optimization and streamlined ordering.

### Planned Enhancements

LBMX OneConnect will evolve beyond standard supply chain document exchange and provide higher visibility and insight into the buyer-seller relationship. By adding an additional layer of data exchange, suppliers, buying groups and independent businesses will gain greater insight.

- Specific projects and new document types planned include Price Change, Order Status, Delivery Status, and Document Matching.



- Our direction is to optimize data sharing by both buyers and sellers. We will facilitate suppliers' provision of product availability and sales velocity through a series of API connections so this information may be shared with buying groups and independent businesses. In return, again through a series of API and EDI connections, independents will share data with their buying groups and suppliers.
- Collecting sales information will ensure all parties can gain a better understanding of market trends, seasonal trends, or consumer demographics. The power is in the data, and it can offer negotiating power to the group and provide increased revenue to their independent business members. This vision is the cornerstone of our LBMX OneConnect development plans.
- We will continue to improve our offering to provide more options for independent members of groups to attain a completely integrated EDI solution, enhancing payables management and direct to supplier ordering from their ERP systems. This includes the development of superior processes that ensure members who are integrated for EDI with one supplier in a marketplace will automatically be integrated for EDI with all their LBMX connected suppliers; connect once, trade with many.

## LBMX Genesis

LBMX Genesis is our second foundation element and applies intelligence to data. Its mandate is to take our world-class LBMX Solution Centre product for groups and evolve it into a strategic platform by applying artificial intelligence (AI) and machine learning (ML). The rich data provided by OneConnect, along with the business insights from Genesis, are made available to the applications and tools within My Marketplace. As group data is processed intelligently, Genesis allows the group to operate more efficiently, providing more value to both the group and its members.

### Value

Our current Genesis product, Solution Centre, provides key intelligence at the transaction level to ensure business data received and sent is correct, intelligent, and acted upon to provide value. LBMX Genesis goes beyond typical EDI solutions by providing transaction level intelligence to ensure not only compliance but strategic advantage. In effect, it transforms the LBMX solution from a set of operational tools into a data platform. By automating processes, LBMX Genesis frees up resources to run the group. LBMX



Genesis represents a new mindset for groups. Improved data analysis improves vendor negotiations and drives increased monetization of rebate programs.

### Planned Enhancements

Our plans for artificial intelligence and machine learning will provide a deep dive into the data surrounding the group's value chain. It will provide insights into the current business environment and put those insights into the context of historical trends and forecasts for the future. It will highlight what is important and make recommendations for strategic action.

The Solution Centre product will evolve to become a new LBMX Genesis product and become a fully web-based solution. The Genesis foundation will continue to grow as AI and ML models evolve within the supply chain. Built on a new, web-based platform, LBMX Genesis will be available where the user needs it to be available - including mobile devices. This means that the real-time insights from Genesis will be accessible to the right people, at the right time.

The following are the specific enhancements that the next generation of LBMX Genesis products will provide.

- **Rebate Optimization:** Genesis will assist in accurately forecasting purchases made towards a plateau rebate, alerting users when a plateau is at risk, and suggesting the most suitable products to buy as well as the members best positioned to buy them.
- **Vendor Negotiations:** Genesis will add value in automatically compiling vendor performance reports, factoring in areas such as purchase amounts, purchase velocity, claims, freight costs, fill rates, cost variances, and member feedback.
- **Central Billing:** Genesis will make it possible to forecast and track potential credit risk amongst members while automating receivables and payables. Invoice pricing will be matched against multiple sources, including POs, POAs, Catalogues, and VBA terms.
- **Purchase Analysis:** Genesis will analyze member purchases to identify key products and product lines that are not being purchased through the group.
- **Cost Tracking:** Genesis will use invoice and rebate data to calculate a products' net-net cost as well as report on fluctuations in commodity prices.



## LBMX Group Marketplace

LBMX Group Marketplace is the foundation element that brings together our solution for our customers. Its purpose is to provide high value applications to enhance commerce between independent owners, suppliers and buying groups | co-ops. These applications include PIM, eCommerce, Analytics, Rebates and many more applications vital to help conduct business throughout the supply chain.

### Value

The value of LBMX Group Marketplace is the offering of multiple software solutions to help buyers and sellers conduct commerce and exchange important business documents and share vital product information. Each solution offers a different opportunity for the interaction between each entity within the supply chain. The key solutions include:

- **Document Centre:** This solution allows for the exchange of important business documents between buyers and sellers. As these documents transmit via LBMX OneConnect, the Document Centre allows both buyers and sellers to retrieve these important documents from a secure site. In addition, buying groups | co-ops can use this application to communicate with their membership and forward important and pertinent information to their members.
- **Product Information Management (PIM):** PIM is often known as the 'single-source of the truth'. Our PIM allows suppliers to provide their product information to the group and its members in the format and schema required. Its value is in the ability for members to access product information to download to their eCommerce or ERP solutions while ensuring consistent product numbering and information through the supply chain. The LBMX PIM was architected specifically for Supplier | Group | Member relationship.
- **B2B eCommerce:** This product allows suppliers to showcase their product offering to each member of the connected marketplace. This gives each member the ability to order online through a web portal or use LBMX OneConnect, to send an electronic purchase order directly from their ERP system.
- **Rebate Management:** This important application gives each buying group the accuracy, flexibility, and power to manage rebate programs proactively with reliable business insights. The LBMX Rebate Management application ensures each buying group can



seize every rebate opportunity and help put more money in each member's pockets. Rebates can be processed either through supplier reports or based on real-time invoice data.

- **Analytics:** Analytics provides groups | co-ops a 360-degree perspective and the clarity to make more powerful and informed decisions. The right analytics can drive groups forward, optimize buying programs and increase member rebates. Our solution combines rich analytics with forecasting and dashboards in a real-time environment. It allows you to track key metrics, measure real-time progress towards key rebate programs, see which members are supporting each program and unearth hidden insights within your organization. LBMX Analytics makes data visualization and exploration easy for everyone on any device.

### Planned Enhancements

Each application offering within the LBMX Group Marketplace will continue to evolve over time. Increased functionality as well as the introduction of artificial intelligence and machine learning will increase each application's offering and overall benefit to the end users. These enhancements along with user feedback will drive the product roadmap and development of each application. Planned enhancements include:

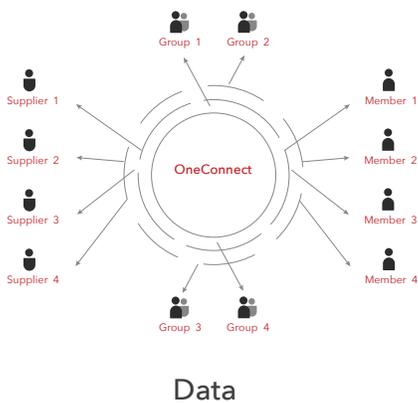
- The **LBMX Document Centre** will become **My Marketplace**. In addition to a new look and feel, it will include additional functionality of a Control Centre and a Messaging module. The Control Centre will give users a high-level view of all activities occurring within their Marketplace. This new module will provide a quick snapshot of all activities occurring each day and allow the users to take the appropriate action. The Messaging module will be introduced to allow all marketplace users to communicate via one application. This will add overall value and give a centralized communication strategy opportunity for all marketplace members to stay informed and connected.
- The **LBMX PIM** will receive multiple enhancements including the introduction of an Asset Management application. Assets are very important for eCommerce sites and are vital to help raise product awareness. This new module will allow users to manage their assets in one centralized location and help enhance the end-user experience. This addition shows our commitment to enhance our products as business requirements evolve.
- **B2B eCommerce** will undergo a complete design change to provide an updated interface. In addition, we will introduce a new Quick Order module. This will allow users to quickly order commonly known items fast and effectively. There will also be a new Favourites



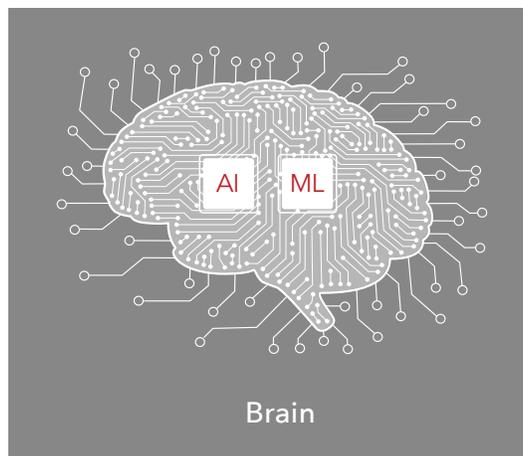
section that will allow users to save frequently purchased items and locate them quickly. Each enhancement is focused on making the buyer's job easier to purchase goods via the LBMX B2B eCommerce application.

- **Rebate Management** will undergo a major revision and emerge as a completely web-based product. In addition to a design update, there will be additional functionality including a vendor buying agreement module. This will allow suppliers to manage their deal with the group as well as automatically communicate changes to the rebate management application. We will also be adding functionality to streamline the process of transitioning rebate programs from one year to the next. This planned enhancement will reduce the time required by providing new copy functions and new template functions.
- **Artificial Intelligence (AI) and Machine Learning (ML)** will become part of many of our marketplace applications and help further automate key business processes. For example, AI and ML applications will be able to notify a member that is close to achieving a rebate plateau, offer a suggested order to obtain a certain rebate and send notifications that are important to running a successful business. AI and ML will become an important aspect of the evolution of all LBMX product offerings.
- **LBMX Group Marketplace** product offerings will continually evolve over the coming months and years. These enhancements are driven by over 20 years of industry knowledge as well as valuable customer feedback. The end user drives the success of any software offering. At LBMX this will also drive the development and the success of our marketplace products.

**LBMX OneConnect**



**LBMX Genesis**



**LBMX Marketplace**





## Summary

LBMX is committed to continually evolving our solutions to take advantage of new technology so we can assist our customers in becoming more competitive. This short paper was intended to provide an overall sense of our product direction so that you may be comfortable our plans are consistent with your future requirements.

We look forward to working with you on this journey to ensure your group and members are successful. Stayed tuned for our next F3 product update in May 2022.