



Digital Innovation to Access the *World of Opportunity*

In conversation with Jian Min Sim, CEO, SourceSage

SourceSage describes itself as the Expedia of B2B buyers. The company is Asia's largest business to business (B2B) marketplace aggregator, working across the US, Singapore, Malaysia, Thailand, Vietnam, Indonesia, China, India, Australia and Japan, with clients including Certis, Cushman & Wakefield, Mitsui and Anphat*. Through SourceSage, buyers can access over 100 million eCommerce products and services across over 800 categories, accessing multiple marketplaces – including Amazon, JD.com, FairPrice, Woolworths, Lazada, Shopee and many others – through a single channel.

In January 2022, SourceSage announced the partnership with Citi to incorporate the bank's virtual card solution on its platform to unlock the fast-growing global procurement-as-a-service market, streamline payment flows to eCommerce platforms and simplify reconciliation.

What inspired you to start the company in 2015, and what was your vision?

During my time at Oxford and Princeton universities, I always knew I wanted to start my own company but I never realized then how close to home – quite literally – this would be.

My father already ran a successful B2B trading business. I recognized the unique opportunity to combine his industry knowledge and my technology expertise and appetite for innovation to build a credible, robust, global platform. Together, we could help solve some of the problems associated with procurement sourcing, and enable clients to leverage global sourcing opportunities and relationships that were previously unattainable. Many people ask me about the origin of the name 'SourceSage'. In fact, it's quite simple: "Source" for sourcing or source code, and "Sage" for wisdom.

What would you highlight as your biggest successes to date?

I'm particularly proud of the team we have assembled to build the SourceSage business. It's a highly specialist business, which I feared could limit interest among the brightest industry stars we were looking to attract, but this has not been the case. Our team works across Asia-Pacific and beyond, and has proved to be agile and resourceful in working with senior executives within client and



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partner organizations across different locations, time zones and cultures.

Secondly, we have integrated our sourcing platform with the leading Enterprise Resource Planning (ERP) and procurement platforms, such as SAP, Oracle, Coupa, etc. that are used by our largest clients. Given the scale of our business relative to

these technology giants, particularly in the early days, this has been a major achievement and proved an essential step in embedding SourceSage into our clients' business and operational models.

Earlier this year you said, "If you want to go fast, go alone. If you want to go far, go together". What does this mean to you?

When we first started out, with only a few stakeholders, it was (reasonably!) easy to innovate and build out our solution offering

quickly. Early adopter customers recognized that they were using a pilot, or proof of concept, version of our platform and were therefore quite forgiving. Today, our platform and client base are mature, and their expectations have evolved substantially. With more stakeholders, we have to take a far more measured and collaborative approach to innovation and manage change more carefully to bring people with us. The COVID-19 crisis, and current geopolitical and economic uncertainty, has meant that collaboration to understand changing demand, and how best to fulfil it, has become more important than ever.

How would you characterize your partnership with Citi, and what's the value of this partnership as you pursue your global ambitions?

When we first started the business, we worked with local banks, but as we evolved our business, particularly as we started to expand internationally, and explore the concept of virtual cards, we needed a global banking partner that understood our business, shared our innovation mindset, and provided solutions and expertise across our footprint.

Our partnership is proving highly advantageous. Citi has helped us to accelerate payments, achieve demonstrable cost savings, and grow internationally in a sustainable, robust way that is compliant with local regulations.

You mention virtual cards - it has been a source of great pride to have collaborated with SourceSage to implement our B2B virtual card solution integrated with APIs. How is the solution contributing to your success?

The virtual card model is essential to making payments on our platform fast, convenient and secure. While other banks could, in theory, support this requirement in a single market, the value of Citi's solution is that we can roll out solutions consistently across markets and new marketplaces at speed, whilst ensuring we are compliant with local regulations and aligned with the relevant payments infrastructure.

One element of the value that SourceSage offers is the ability to create a business to consumer (B2C) experience for B2B corporate purchasers through aggregation of

products from different global marketplaces under a 'one-approved vendor' model. What potential does this model offer to redefine global procurement - e.g. procurement as a service? - and what new opportunities does this model present for small and medium-sized enterprises?

Our initial ambition was to create a platform that would enable large buyers to fulfil their global procurement needs more easily, and provide the same level of convenience that people expect when online shopping as consumers (B2C) in the business domain (B2B). Small and medium-sized enterprises (SMEs) would benefit from the ability to access a larger

pool of buyers - both numerically and by purchase value - than they could otherwise achieve.

While this assumption was proved correct, we are also seeing SMEs leveraging the platform as buyers, who can also access multiple marketplaces and catalogues globally through a single channel.

In reality, every company and every industry shares a similar procurement need. Critical spend contributes to top-line growth and, consequently, this is where companies need to dedicate their resources. In contrast, while non-strategic spend is required for the operation of the business, it impacts the bottom line and therefore needs to be managed as cost and resource efficiently as possible. By providing a combination of platform, content and service, underpinned with an efficient payments capability, our aim is to give companies access to the range, quality and price of goods they need in a convenient, reliable and secure way.

What do you see as the most significant trends in digitization of the procurement function over the next 3-5 years, and what will enable these trends?

A sale and purchase is not simply a contract and payment: it requires an efficient supply chain, logistics, warehousing and many other functions to be fulfilled. We saw two related trends strengthen during the coronavirus pandemic that are now driving the way in which companies buy and sell.

First of all, disruption and delay to supply chains has emphasized the need for greater traceability and connectivity across the different functions and stakeholders in the supply chain.

Secondly, we saw that companies are seeking to embed sustainable business practices, and in particular, Environmental, Social and Governance standards (ESG), both within their own business and across their supply chains. Again, traceability is key to measuring and reporting on these standards.

We expect to see new technologies, such as blockchain or distributed ledger technologies, play a role in achieving this. As companies allocate more of their procurement budget to 'green' suppliers, including social enterprises and even charities, a more robust supplier measurement and certification against ESG metrics is likely to emerge. Integrating this certification digitally into the platform will help inform companies' procurement decisions.

Another area in which innovative technologies are likely to play a greater role is to support global sourcing. Today, the machine learning employed in most search engines is not designed for businesses operating across locations, as it treats each user and search individually, rather than aggregating data across the enterprise. To overcome this, more sophisticated approaches

to global sourcing are emerging, gathering data from across entities to aggregate, anticipate and optimize buying decisions and patterns across international businesses.



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