E-procurement and automation build revenue in the B2B buyer journey

An executive conversation with **Kevin Kazenmayer,** head of channel development, PunchOut2Go

B2B buyer expectations have evolved. Today's B2B customers demand a full range of ecommerce capabilities and to transact seamlessly throughout their entire customer journey. But many B2B organizations, historically slow to adopt ecommerce strategies, are still challenged to meet these increasing expectations.

By 2025, 70% of B2B transactions will occur from e-procurement systems, technology research and advisory firm Gartner Inc. says in a recent report. While design, usability, product content and search are critical to fostering buyer loyalty and satisfaction, e-procurement capabilities are now also table stakes. Offering a punchout-enabled site is a given. But B2B companies must also automate the production of electronic documents such as purchase orders, order acknowledgement, shipping notifications and invoicing. Still, many B2B organizations are currently handling these processes offline, introducing a higher potential for miskeyed information and delays—and adding costs for buyers.

To discuss how fully understanding the customer's buying journey will help identify opportunities to automate and ultimately remove friction from the shopping experience, Digital Commerce 360 spoke with Kevin Kazenmayer, head of channel development at PunchOut2Go. PunchOut2Go will soon change its name to TradeCentric, which reflects the expansion of its technology and its market during the past decade.

DC360: How are B2B buyer expectations changing around e-procurement?

Kazenmayer: E-procurement systems have been around for about 20 years. Those early adopters enabled a handful of key suppliers and categories and called it a success. In the past five years, as cost savings became more of a priority and procurement moved under finance, the focus shifted to onboarding more suppliers in more categories to take advantage of that same automation achieved initially. The pandemic accelerated the need to onboard all suppliers.

Buyers could no longer afford to have one-off conversations with suppliers who were not part of their e-procurement systems, nor could they incur the manual steps required to get invoices paid. These changes highlighted the need for organizations to do business with suppliers that could meet their requirements, create efficient processes and ensure compliance around internal accounting practices—underscoring the importance of e-procurement.

DC360: Why are e-procurement capabilities, like punchout and automation, table stakes now?

Kazenmayer: About 10 years ago, procurement professionals were sold on the concept of hosted catalogs to drive compliance and control, and to audit supplier pricing. Companies needed dedicated personnel to manage these catalogs and the processes created resource challenges and usability issues for the end customers.

This one-size-fits-all taxonomy of systems didn't work for every supplier. And it made it very challenging for buyers to find products. As that user experience fell short around search and browse, the ordering process became cumbersome and time-consuming. Punchout emerged as a better way, leveraging the expertise the supplier puts into building and growing a great online search on their own site.

As B2B procurement teams continue to do more with less, they need to find efficiency in the order and invoice process. They need to reduce manual work and outdated processes, while also striving to be more eco-friendly. No one wants paper invoices anymore.

Automation solves all of these issues. The ability to streamline exchange of electronic documents and produce great results for customers is increasingly important to achieve status as a preferred supplier.

PunchOut2Go
Soon to be TradeCentric

E-procurement and automation build revenuein the B2B buyer journey (CONTINUED)

DC360: What are the common pain points customers experience in their purchasing journey?

Kazenmayer: There are many, but we'll focus on the top three: product pricing, inventory awareness and customer-specific procurement requirements. These are all processes that require extra effort or manual work on the buyer side, which means they are points of friction.

Where they are in the customer journey will vary greatly. So it's important to walk through every step of the procurement process to determine where specific customers are experiencing challenges and where there's an opportunity to create value.

DC360: What role does automation play in helping to alleviate these pain points?

Kazenmayer: Let's start at the beginning of the process:

1. Automating the purchase order: This removes the potential for error and the risk that the customer will receive the wrong product or experience any delay in receiving the order.

2. Automating order acknowledgements and shipping notifications: This allows customers to receive instant notifications and maintain awareness of where their order is and when they can expect it. With all the challenges with the supply chain, that's top of mind for everyone.

3. Automating the collection of customer information: Capturing all the relevant customer information and providing it back on an invoice eliminates the need to rekey data into an accounts payable system to manually allocate funds. When it comes in electronically, these systems expedite payment of the invoice—reducing days sales outstanding.

DC360: How do e-procurement solutions help B2B companies better compete in today's B2B ecommerce environment?

Kazenmayer: Say, for example, on the front end, you have marketplaces and consolidation of the ordering experience across suppliers. But there's still back-end processes, customer ordering procedures and accounting

practices you need to follow. E-procurement systems allow that to happen in the most efficient way.

If a supplier wants to compete for a customer's business, at a minimum, they need to offer a punchout-enabled site, as well as support electronic invoices and purchase orders. This level of automation will achieve long-term benefits for the supplier. Reducing friction will increase order efficiency, reduce the number of returns and free up resources to focus on more important customer conversations, priorities and additional revenue opportunities.

DC360: PunchOut2Go has evolved over the years to provide more e-procurement capabilities. How does that play into your decision to change the name to TradeCentric?

Kazenmayer: For B2B companies to meet the needs of their buyers, they have two choices: build technology in-house or buy the required solutions. The advantage of buying solutions is that you can partner with a provider that can exchange all the document types necessary in the format and language the customer requires, while also allowing you to expand your offering to any e-procurement system out there.

Working with a partner like PunchOut2Go, which has experience with countless e-procurement systems, gives you the opportunity to expand beyond where you ever thought. It not only saves you money, but it also opens the door to acquire new customers and increase revenue-generating opportunities.

PunchOut2Go has a full suite of offerings to support the entire digital procurement and ecommerce lifecycle while fast-tracking your ability to meet the customers' timelines. Our offerings cover punchout, PO & invoice automation, order acknowledgment and shipment notifications—as well as newer capabilities such as e-quote and marketplace integration.

Our current suite of products and services is so much more than punchout. We're enabling trade across all of B2B. We sit at the center of it all, so when we change our name to TradeCentric, it will be a reflection of that seamless streamlined experience that we have been and will continue to bring to the buyer and seller community.