

WHITEPAPER

# PunchOut: The Future of B2B Transactions



# INTRODUCTION

TradeCentric offers a cloud integration and data translation platform that empowers B2B buyers and suppliers to easily and seamlessly transact. The result? Accelerated and expanded business online.

With the ability to integrate any eCommerce platform with any eProcurement system, TradeCentric's purpose-built managed cloud integration solution supports thousands of eCommerce and eProcurement integrations around the world.

## **IN THIS WHITEPAPER, YOU'LL LEARN:**

- The most pressing supply chain and procurement challenges.
- How B2B integration and order automation helps buyers and suppliers overcome common roadblocks.
- How TradeCentric's solutions drive faster, more scalable and more efficient B2B trade.

## The Current State of eProcurement

The success of an enterprise is intrinsically tied to the efficiency and agility of its supply chain. Procurement spending is one of the most significant expenditures for modern businesses. Companies that don't invest in strategic supply chain management underperform compared to competitors that recognize the importance of procurement efficiency and supply chain redundancy to their bottom line.

## The eProcurement Island

In the past, procurement professionals have manually sourced goods and services from suppliers, negotiating contracts and managing transactions on paper or over email. **Procurement generates a vast amount of data, but it's challenging for businesses to gain a comprehensive overview of supplier relationships and spending without a centralized platform for managing procurement data.**



Businesses needed a better way to manage supply chains, many of which include thousands of suppliers and hundreds of thousands of individual transactions. Electronic procurement and spend management systems solve part of the problem.

**An eProcurement system allows businesses to centralize procurement data for analysis and oversight.** eProcurement executives and managers have more insights into what they are spending and where they are spending it. Procurement leaders can access supplier catalogs on the same platform they use to manage procurement, invoicing and requisition order approval. Insight into company-wide procurement helps companies drive efficiencies, control spending and reduce waste.

As buyers adopt eProcurement, suppliers adopt eCommerce. Modern eCommerce platforms such as Adobe Commerce, SAP Commerce Cloud, Salesforce Commerce Cloud, Optimizely, BigCommerce, NetSuite Commerce and custom-developed solutions provide sophisticated catalog management features and a functional interface that can be personalized for individual buyers. Common personalization on these platforms include co-branding elements, differentiated products, contracted pricing, inventory availability and other rules related to the trading relationship.

## Connecting eProcurement and eCommerce

Today, B2B buyers and suppliers embrace powerful digital applications. **The natural next step is to integrate those platforms and systems so transactional data can be automatically transferred between them.** eProcurement systems are only as valuable as the data that flows through them – particularly from B2B suppliers that can provide integration capabilities. But getting data from supplier eCommerce stores, customer relationship management platforms and ERP systems to buyer eProcurement systems can be a daunting challenge.

Both eCommerce platforms and eProcurement systems employ a wide range of data formats and communication protocols. As a result, integrating these applications can be an overwhelming and complex project. A B2B supplier might be expected to integrate their eCommerce store with their B2B buyers' eProcurement systems to continue doing business with them or win new business. However, it is likely that each B2B buyer uses a different eProcurement system that has been customized to their specific company's purchasing processes. Even further, these systems may utilize a particular communication protocol that the supplier's backend business systems cannot read or accept.

**Case in point:** A supplier's back-end business system is SAP and IDoc is the accepted communication protocol. One of the supplier's trading partners utilizes Coupa Business Spend Management, which communicates via cXML. Another trading partner uses SAP and prefers to communicate via OCI and EDI. As a result, the B2B supplier invests a considerable amount of time, resources and money trying to customize each integration for each trading partner. **A B2B buyer expects their vendors to integrate and transact through their eProcurement system and if the vendor cannot provide the capabilities, the buyer will switch to another supplier who can.**



## What Is a PunchOut Catalog?

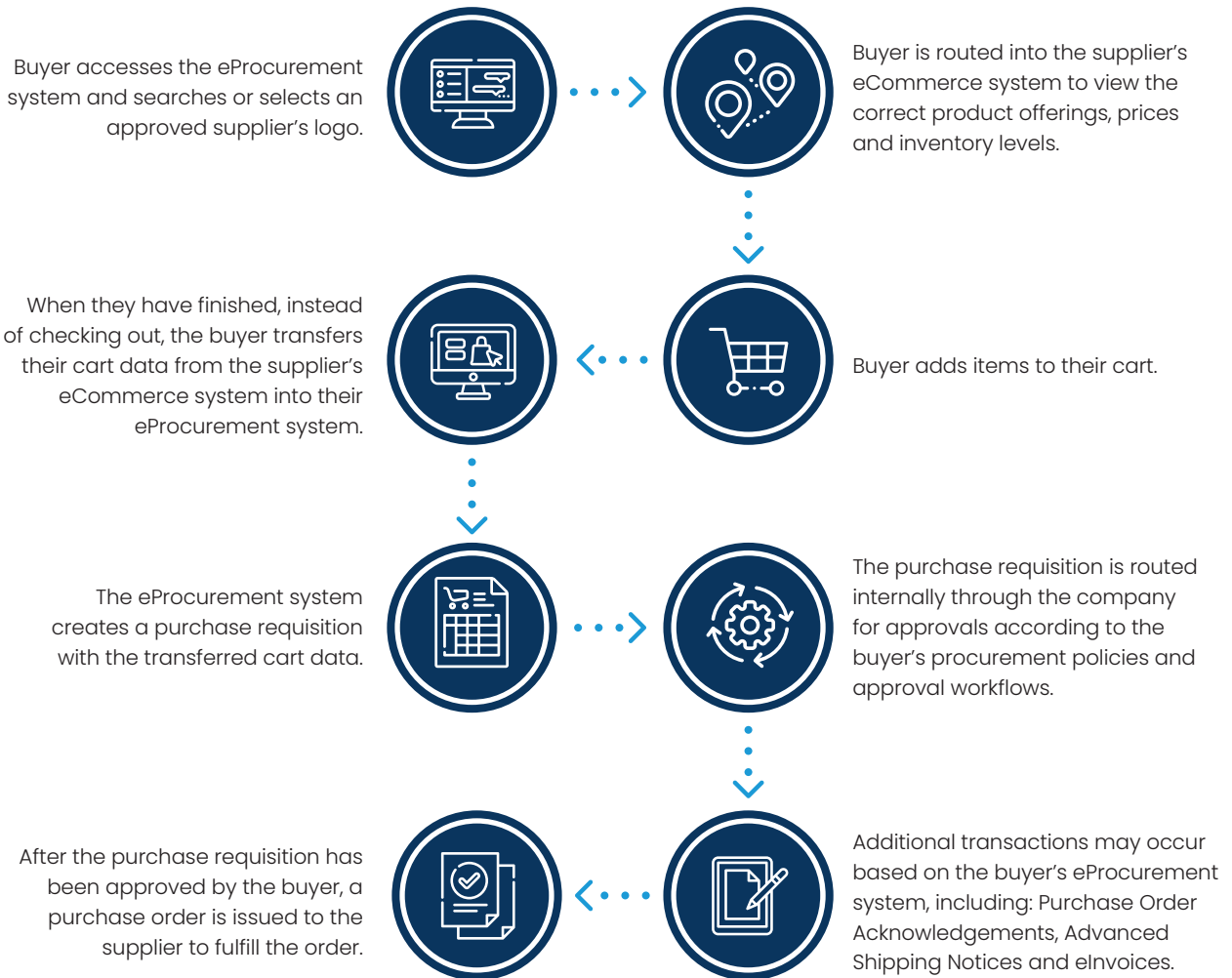
PunchOut is a term used to describe the process when a buyer securely accesses a supplier's eCommerce website from directly within their procurement application. After logging into their eProcurement system, the buyer selects a supplier, which launches the supplier's eCommerce website within the buyer's browser frame. The buyer is authenticated into the supplier's web-based catalog, also referred to as a PunchOut catalog.

The buyer browses the PunchOut catalog and adds items to the shopping cart. All the while, both the eCommerce platform and the eProcurement system maintain their connections. Unlike a traditional online shopping experience, the buyer does not "check out" their cart. Instead, a buyer will "PunchOut" and the shopping cart with the selected items is transferred back to the eProcurement application. Next, a purchase requisition is created to route for approval.

PunchOut catalogs should not be confused with hosted catalogs, which are sometimes called line-item or Catalog Interchange Format (CIF) catalogs. This type of catalog, which is a manually created and static product list that provides only essential information to order products, is uploaded within the buyers' procurement system by the supplier as a flat file. Data is not transparent and catalog updates do not happen in real-time as with a PunchOut catalog.

Alternatively, PunchOut catalogs transfer the buyer to the supplier's eCommerce store before transferring shopping cart data back into the eProcurement system. With PunchOut catalogs, the supplier has complete control over their catalog, including its branding, promotions and personalization. PunchOut catalogs combine the benefits of integration with the full power of modern, sophisticated eCommerce platforms.

## The B2B Buyer PunchOut Experience:



**The TradeCentric Platform works behind the scenes as a transparent middleware layer that efficiently handles the exchange, translation and mapping of data between the eCommerce store and the eProcurement system.** This eliminates integration complexities and enables buyers and suppliers to transact with one another easily. As a result, buyers onboard more suppliers on their eProcurement system and suppliers provide a seamless purchasing experience for their customers.

**In addition to PunchOut catalogs and purchase order automation, TradeCentric also supports eInvoicing, purchase order acknowledgment, advanced shipping notice and other electronic documents in the procure-to-pay process.**

## Level II PunchOut Catalogs

eProcurement systems differ in the sophistication of their PunchOut catalog capabilities. Depending on the features, an eProcurement system may offer Level II PunchOut integration. The major difference is in how product search is handled.

In most cases, a PunchOut catalog allows a buyer to select a supplier from within their eProcurement system and search for products using the supplier's eCommerce catalog's search feature rather than the internal eProcurement system marketplace search.

A Level II PunchOut catalog allows a buyer to search for individual items within the marketplace of their eProcurement system, rather than "punching out" to each supplier's eCommerce store to explore. When a buyer searches for a product in their eProcurement interface, they are presented with a list of matching items from all supplier catalogs. Clicking on an item transfers the user directly to the product page for that item in the supplier's eCommerce catalog to add to their shopping cart.

Level II PunchOut catalogs allow supported eProcurement platforms to direct purchasing agents to specific locations in the relevant PunchOut catalog. These locations are typically described as store, aisle and shelf or product level locations:

- **Store locations** direct users to the landing pages of the relevant catalog and searchers can use the store's search feature or browse the desired product or category
- **Aisle locations** direct users to product category pages
- **Shelf of product locations** direct users to specific product pages on PunchOut catalogs

Only a small number of eProcurement systems offer Level II PunchOut functionality at this time, but they are all continually expanding functionality to provide a more "Amazon-like" marketplace experience. **TradeCentric provides Level II catalog integration and support when used with a compatible eProcurement system.**



## Seamless B2B Integration with TradeCentric

PunchOut catalogs and B2B order automation have been available for several years. However, integrating buyer and supplier platforms has always been expensive and time-consuming, requiring buyer and supplier organizations to work with developers, IT and integration professionals to create custom integrations.

**With TradeCentric, integrating any eCommerce platform and eProcurement system is a fast and easy task. There's no need for your team to do custom integration work. The TradeCentric Platform supports full integration and automation for any eCommerce platform, ERP and eProcurement system.**

In addition to the TradeCentric Platform, we also provide application-specific integration software in partnership with major eCommerce providers. For example, businesses that use the Adobe Commerce platform can take advantage of our full-featured Adobe Commerce extensions for all Adobe editions. Integrating with the TradeCentric Platform is as straightforward as installing the extension from the Adobe Marketplace and working with the TradeCentric services team to complete a simple configuration. TradeCentric provides similar integrations for a wide range of eCommerce applications, including BigCommerce, NetSuite Commerce, Salesforce Commerce, Elastic Path Commerce, Optimizely and many more.

Our integration experts work with both the buy-side and the supply-side of B2B trading relationships, supporting both as they integrate with the Platform. With our help, thousands of B2B buyers and suppliers have integrated PunchOut catalogs, electronic purchase orders and eInvoicing—all without writing a single line of code.



## PunchOut Catalogs for Suppliers

Historically, suppliers faced an uphill battle when receiving a request to provide PunchOut catalog and B2B order automation capabilities. Many B2B suppliers lack the resources to complete a custom integration project, damaging relationships with buyers and increasing the possibility of buyer churn. Suppliers who cannot integrate with customers' eProcurement platforms may lose business to competitors.

**With TradeCentric, suppliers can confidently offer PunchOut catalog and B2B order automation capabilities to their customers, no matter which eProcurement or ERP platform they use.**

### Offering an Integrated PunchOut Experience Strengthens Buyer Relationships and Grows Revenue

There are many operational, marketing and sales benefits to offering B2B buyers PunchOut catalog integration.

- Suppliers who market their ability to provide PunchOut catalogs and purchase order to invoice automation win more business, as many buyers will only work with suppliers who offer automation because it reduces transaction costs, risks and procurement errors.
- Automation eliminates the need for manual order handling and invoicing, resulting in reduced transaction costs for both the supplier and buyer.
- When suppliers don't have to hire developers and integration professionals to create custom integrations, they significantly reduce integration costs.
- Greater product visibility with enriched data enables powerful growth opportunities like cross-sells, related products and quotes to increase sales and wallet share.

PunchOut integration is straightforward with TradeCentric. Once the initial setup is complete, the eCommerce store communicates with the TradeCentric Platform, which handles PunchOut catalog integration, user authentication and data harmonization between the eCommerce store and the buyer's eProcurement system.

## PunchOut Catalog Functionality for Any eCommerce Store

TradeCentric supports all leading eCommerce platforms, including but not limited to:

- Adobe Commerce
- SAP Commerce Cloud
- Salesforce Commerce Cloud
- Optimizely
- Oracle NetSuite SuiteCommerce
- Elastic Path
- BigCommerce
- Shopify
- WooCommerce
- 3DCart

## Empower Your Buyers with Automation and Education

B2B suppliers gain a competitive advantage by offering PunchOut catalogs, purchase order automation and electronic invoicing to their customers. We recommend TradeCentric clients highlight their integration capabilities in sales, sales enablement and marketing materials. A fast path to true supplier enablement can positively differentiate a supplier's business during the vendor selection process, making it easy and seamless to transact with their customers leveraging eProcurement technologies.



## TradeCentric for Buyers

A recent TradeCentric Supplier Adoption Survey found that organizations that adopt eProcurement frequently face challenges with supplier enablement and integration. Some key examples include:

- 70% of buyers encounter suppliers that struggle to support electronic purchase orders and invoicing.
- 52% encounter suppliers that have issues with PunchOut catalog integration.
- On average, buyers only integrate with 15% of their suppliers or choose to only integrate the 20% who are their top suppliers by spend.

Buyers invest in eProcurement because it increases the sourcing team's productivity. Not only does it reduce manual work, but it also enhances insight into supply chain spending, lowers transaction costs, eliminates errors and enforces spending compliance by reducing rogue spending.

However, **eProcurement is only effective when buyers can integrate a large proportion of their spending across their supplier base.** Ad-hoc custom integrations are a heavy lift and buyers typically only integrate a small number of top-line suppliers in this way. The other tens or hundreds of thousands of transactions and invoices are left to be handled manually.

**With TradeCentric, enabling suppliers for PunchOut catalogs and B2B order integration is fast and straightforward. We support all major eProcurement systems and ERPs and we can work with organizations to build integrations for custom in-house platforms.**

TradeCentric empowers B2B buyers to:

- Integrate a greater proportion of their supplier base for PunchOut catalogs and order to invoice automation
- Reduce integration lead times by many months and lower integration costs by a substantial margin
- Provide a simple integration solution to suppliers who lack the knowledge or resources to integrate - no matter what the eProcurement system may natively support - improving the success rate of integration projects with enhanced rates of touchless invoicing

eProcurement and spend management systems are powerful tools for businesses that recognize the strategic importance of their supply chain. TradeCentric is the only solution that allows eProcurement users to take full advantage of their chosen platform.

**TradeCentric supports all eProcurement and ERP platforms, including but no limited to:**

- Coupa
- SAP Ariba
- Jaggaer
- Oracle NetSuite ERP
- iValua
- Unimarket
- Workday
- Prodigio
- Birchstreet

The TradeCentric Platform mediates communication between a buyer's eProcurement system and the supplier's eCommerce store. Buyers don't have to conform with their supplier's data format requirements because the Platform handles data translation and transformation, allowing each system to communicate in its native format.

The gateway supports two-way translation of a vast array of formats, transfer protocols and document types, including cXML, OCI, EDI, XML, X12, iDOC, xCBL, flat files and more. Supported transport methods include HTTPs, sFTP, AS2, AS4, VAN, API, SOAP, REST, email and others.

## Getting Started with TradeCentric

TradeCentric equips both B2B buyers and suppliers with the tools they need to achieve integrated and automated trade. Our team of experienced professionals guide clients through the integration process, providing technical help to ensure a smooth path to integration.

Once the integration is complete, TradeCentric clients can expect:

- Immediate availability of PunchOut catalogs, order automation and other procurement automations, depending on the capabilities of the relevant platforms
- Access to the TradeCentric Portal, which provides tools for testing and real-time analytics
- Ongoing support from the TradeCentric Customer Success team

## Get started on your journey to B2B automation.

Contact us for more information or to request a demo.

TradeCentric, formerly PunchOut2Go, transforms the way businesses transact by enabling PunchOut, Purchase Order and Invoice Automation for thousands of companies every day. Uniquely positioned at the intersection of eCommerce and eProcurement, TradeCentric helps B2B buyers and suppliers connect, automate and scale their digital trading capabilities. We offer a cloud-based integration platform that is fully managed, highly secured and purpose-built to simplify the complexities of B2B trade and transaction processes.

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