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How Procurement Integration via PunchOut Automates Buying on B2B Commerce Cloud

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Today's digitally enabled, global B2B commerce landscape offers nearly limitless options for vendors.

For suppliers striving to stand out from the crowd, adapting to customers' buying preferences is key to capturing market share and growing revenue.

eProcurement integration via PunchOut has become particularly influential in buyers' purchasing decisions. B2B buyers increasingly expect their vendors to offer integration capabilities that automate and streamline procurement processes, from shopping cart to invoicing. Suppliers who meet these requirements will win more business, increase customer loyalty and grow their eCommerce revenue.

In this white paper, you will learn:

- Trends transforming the B2B commerce landscape and how eProcurement impacts B2B buyer preferences and requirements

- Why PunchOut and other B2B Connected Commerce solutions are key to enabling a better buying experience

- A real-world B2B Connected Commerce customer success story

- Essential strategies to begin your B2B Connected Commerce journey, or take it to the next level

Introduction

Business transactions are undergoing a digital revolution. While the unique demands of B2B commerce mean this revolution has not always had the same shape or pace as B2C transformation, eCommerce is fast becoming established as the preferred channel for B2B buyers and suppliers. In 2023, B2B eCommerce represented 14% of all B2B sales, up from 10.8% in 2019, at a market size of just over $2 trillion (source Digital Commerce 360).

B2B businesses that can leverage digital capabilities will gain meaningful competitive advantage. They will be ready to meet growing customer expectations for a seamless, transparent buying experience, deliver the most efficient and flexible end-to-end purchasing process, and maximize the value of data from the process.

A recent McKinsey article notes that B2B sales have undergone significant changes driven by digitalized operating models and increasing customer demand for seamless, transparent services.

Successful B2B companies utilize five key tactics: omnichannel sales teams, advanced sales technology and automation, data analytics and hyper personalization, tailored strategies on third-party marketplaces, and excellence in eCommerce across the marketing and sales funnel.

An effective eProcurement platform is the essential foundation for buyers looking to harness the full power of digital channels. B2B Connected Commerce builds on this foundation, creating transparent, flexible and scalable integrations between eCommerce systems and eProcurement/ERP solutions to deliver the seamless, efficient end-to-end buying experience that today's buyers expect.

This white paper looks beyond technology to consider the business and social trends driving the digital B2B commerce transformation. It explains what B2B Connected Commerce is and why it is critically important to this transformation, shares one company's Connected Commerce story, and lays out essential strategies for success.

Trends transforming the B2B commerce landscape

Digital transformation goes far beyond simply deploying technology to automate existing business processes. Salesforce defines it as *"The process of using digital technologies to create new — or modify existing — business processes, culture, and customer experiences to meet changing business and market requirements. This reimagining of business in the digital age is digital transformation."*

Because it is so far-reaching in scope, digital transformation can shape and be shaped by business and social trends as much as by technology. This is evident in some of the key trends that are driving the B2B eCommerce revolution.

A New Guard is taking over in the Age of Automation

Millennials are increasingly occupying buyer positions. We are seeing the first generation of buyers who are widely defined as 'digital natives.'

They have grown up with technology as an integral part of their daily lives, they are digitally savvy, and they expect an online B2C shopper grade experience from their B2B interactions.

This segment of the workforce is accustomed to a procurement environment in which organizations are prioritizing investments in automation and integration to streamline processes and enhance efficiency. Specifically, buyers have invested in ways to automate the procurement process so they can procure the items they need quickly and efficiently, driving the growth of eProcurement as a standard way of doing business.
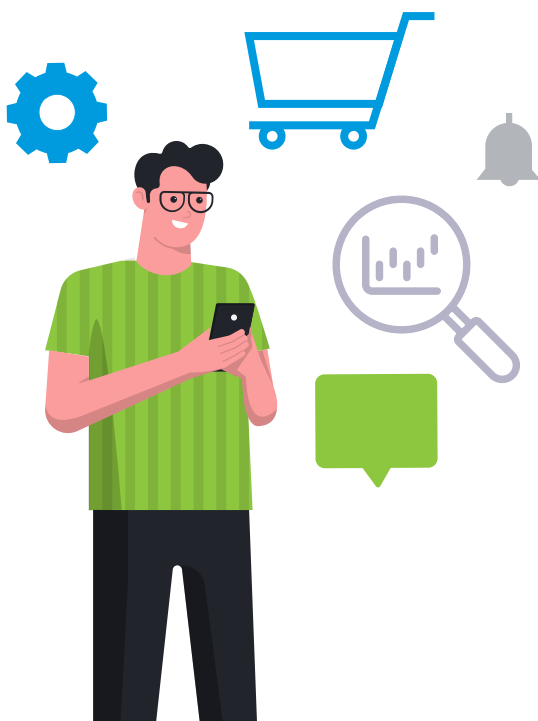
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The Growth of eProcurement

What is eProcurement?

eProcurement is the process of electronically procuring goods and services for a business. eProcurement software is specifically designed for B2B transactions, providing an integrated, automated platform to replace processes that are manual, paper-based or involve re-keying of data across different systems. These solutions enable organizations to manage and automate their purchasing processes electronically.

Why are buyers adopting eProcurement?

eProcurement delivers clear and significant benefits for buyers:

It enhances compliance, reduces rogue spend, and helps businesses adhere to procurement policies and regulations by reducing the scope for error

It streamlines the purchasing process, enabling companies to efficiently procure supplies quickly, saving time and resources

How is this changing buyer expectations and requirements?

Adopting eProcurement within the buyer organization is an important step towards realizing full value from B2B digital transformation.

However, buyers quickly recognize that automating procurement processes within the buying organization alone delivers limited benefits.

To deliver full value, the end-to-end procurement process across buyer and supplier needs to be integrated and automated.

Buyers, especially digital native millennial buyers, expect to be able to access suppliers' online catalogs and make purchases directly from their eProcurement system, rather than having to log in separately to suppliers' eCommerce sites, or rekey information into their internal systems.

Regardless of back-end systems or integrations, buyers expect seamless experiences This expectation is driving more buyers to adopt a Connected Commerce strategy, focused on delivering this integration.

In a recent TradeCentric survey of 120+ B2B suppliers, 61% of respondents said that more of their buyers were asking for integration to be connected directly into their procurement system, but only about 35% of companies are taking action to meet that demand.

While meeting buyer expectations is an important driver for Connected Commerce, there are other important considerations. Vendors that can offer a seamless, integrated digital buying capability that manages integration complexities 'behind the scenes' will gain competitive edge, so integration, ease of use and systems connectivity are top of mind.

# What is B2B Connected Commerce?

B2B Connected Commerce bridges the gap between supplier eCommerce systems and buyer eProcurement or ERP systems, through integrations such as PunchOut, Purchase Order, and Invoice Automation.

Implementing B2B Connected Commerce as a strategic integration replaces manual processes and one-to-one system connections with automated solutions that facilitate the seamless flow of purchasing data through every step of the buying process.

PunchOut

PunchOut allows buyers to shop a supplier's eCommerce store from within their internal purchasing system.

It authenticates the buyer into the supplier's storefront, where they can see their custom product catalogs, negotiated pricing and availability. The buyer can then build a requisition without having to manually re-key data back into their purchasing system.
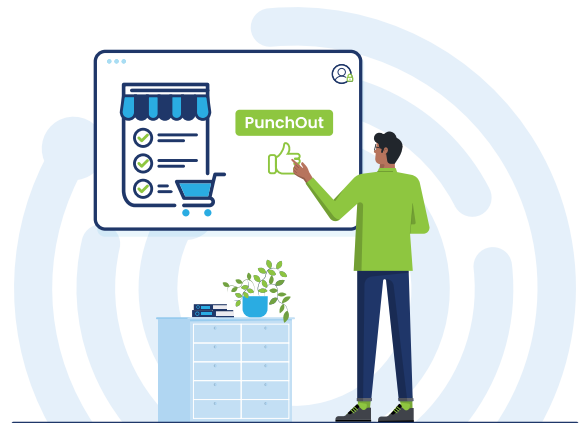
Benefits for suppliers:

- Grows revenue from new and existing customers
- Enhances visibility among buyers
- Reduces time and effort required to build and maintain integrations

Benefits for buyers:

- Enhances procurement compliance and improves control over spend
- Delivers real-time access to negotiated pricing and accurate inventory levels
- Expedites the purchasing process and reduces manual input

Purchase Order (PO) Automation

PO Automation removes the need for manual ordering methods, enabling organizations to eliminate data entry errors and streamline their fulfillment processes.

Buyers simply select the products they need from a supplier's eCommerce store. PO Automation facilitates communication between the eProcurement and eCommerce systems, translating and transforming the PO data in the required formats to seamlessly deliver the PO into supplier systems.
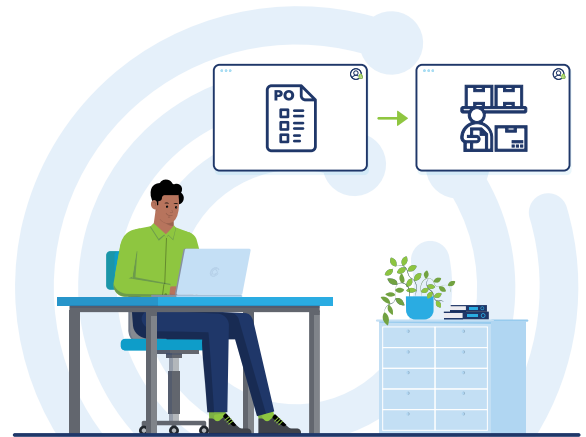
Benefits for suppliers:

- Reduces costs associated with manually processing non-electronic POs

- Decreases order fulfillment errors by ensuring accurate reflection of PO data in eCommerce systems

- Boosts revenue from current and potential customers by supporting an automated PO process

Benefits for buyers:

- Controls spend better by ensuring order data is accurately transmitted to key suppliers

- Saves time by automatically sending POs and accelerating time to formally submit orders to suppliers

- Expedites the purchasing process and reduces manual input

Invoice Automation

Invoice Automation transforms supplier invoice data, ensuring it is correctly formatted, properly validated and ready to be reconciled for payment before sending to the buyer.

When combined with PO Automation, Invoice Automation can enrich and validate the invoice based on the original PO, improving data matching and accelerating time to payment.
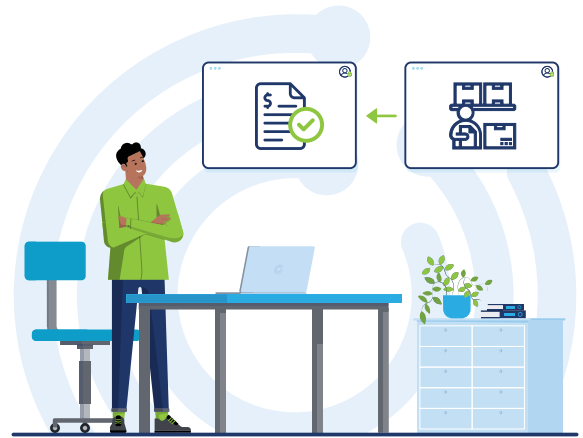
Benefits for suppliers:

- Decreases accounts receivable (AR) overheads, by sending electronic invoices for seamless internal routing and approval

- Accelerates payment processing through enhanced 3-way matching, especially when combined with PO Automation

- Incorporating Invoice Automation increases revenue from existing customers and attracts new ones

Benefits for buyers:

- Enhances 3-way matching, reducing reconciliation time, costs, and errors when combined with PO Automation

- Minimizes Accounts Payable (AP) personnel costs by automating invoice processing and input into buyers' systems

- Ensures on-time invoice payment and strengthens supplier partnerships.

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MillerKnoll

How MillerKnoll Leverages Salesforce and TradeCentric to Drive Success

After establishing a strong eCommerce presence, MillerKnoll shifted their focus to offering integration capabilities in partnership with TradeCentric and Salesforce Commerce Cloud.

THE CHALLENGE

MillerKnoll has been pioneering B2B connected eCommerce since the mid-2000s. However, their early work on B2B integration in the 2000's came at a cost, as their B2B eCommerce platform depended on maintaining multiple bespoke integrations with individual buyer organizations.

When more buyers began to require integration across a wider range of eProcurement platforms, it compounded this complexity.

In 2023, MillerKnoll began their migration to Salesforce. Moving to a new state-of-the-art eCommerce platform meant engaging people from across the business, and this started to broaden understanding of the critical and complex role of eCommerce integration.
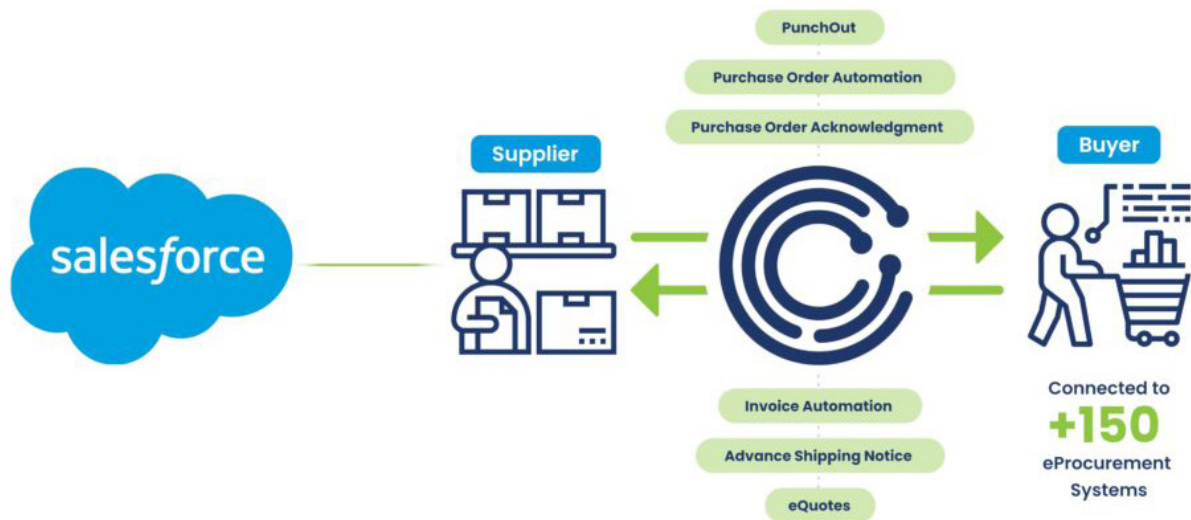
This led to MillerKnoll embarking on their partnership with TradeCentric. Combining the power of Salesforce and TradeCentric proved to be the catalyst for MillerKnoll's journey to being a leader in B2B Connected Commerce, enabling their customers and the business to reap the value of easy, rapid and scalable B2B integrations.

THE SOLUTION

Leveraging their extensive knowledge in eCommerce, the MillerKnoll team recognized the collaborative potential with TradeCentric to better manage existing B2B eCommerce integrations and build new connections in a more efficient, scalable way.

MillerKnoll transitioned their buyers from bespoke connections that were managed in-house to the TradeCentric platform, where integrations were built and maintained by the longstanding leader in B2B commerce integration. By letting TradeCentric handle integration setup and maintenance, the MillerKnoll team could now focus on more strategic tasks that drive further revenue opportunities for the business.

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THE RESULTS

MillerKnoll's partnership with TradeCentric and Salesforce has delivered value from day one, value that has continued to grow as eCommerce has become virtually the default channel for B2B trade.

Initially, it enabled the business to drastically reduce the resources assigned to managing its eCommerce integrations.

Now, MillerKnoll's position as a leader in B2B Connected Commerce means it can offer the seamless, scalable integrations that its B2B customers value.

It's an ongoing journey that has MillerKnoll continually working to grow its Connected Commerce capability across the whole

buying process, moving from PunchOut into invoice automation, and using microservices to deliver the most seamless experience possible to its customers. This approach gives MillerKnoll real competitive advantage in today's digital-led B2B environment, and it's no surprise that, in a 2023 TradeCentric survey, MillerKnoll was one of only 17% of surveyed companies operating at the highest maturity level for connected commerce.

Together, MillerKnoll's commitment to connected commerce, the strength of TradeCentric's B2B integration platform, and its synchrony with Salesforce, have positioned MillerKnoll to stay ahead in the fast-changing world of B2B eCommerce.

Success Strategies for Achieving B2B Connected Commerce

Implementing a successful B2B Connected Commerce strategy involves several key prerequisites that can significantly enhance operational efficiency and the purchasing experience.

1 Strong eCommerce presence

- A flexible, reliable, PunchOut-enabled eCommerce platform

- An established and material percentage of relevant revenue delivered via eCommerce

- A user-friendly eCommerce buying experience

2 Business buy-in

- Executive visibility and support

- Dedicated resources - time, money or both

3 A flexible platform

- Salesforce B2B Commerce Cloud provides a flexible meta data structure, app creation UI, and visually configurable database tables

- The platform's emphasis on point and click interfaces makes it easy to configure, develop, scale and adopt

- It creates a single source of truth that motivates buyers to leverage the system

- Its system of engagement, flexibility and ease of use facilitates creation of the optimized buyer experience and journey that is imperative to success

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Getting Started

Select an integration partner who offers:

- Integration expertise, with strong knowledge and experience of eCommerce and eProcurement platforms, and can support a full range of different data protocols
- An analytics & insights platform that will enable your organization to make data-driven decisions with confidence
- Robust security capabilities and expertise

Identify buyers:

- Know who you want to target, based on potential value, strength of buyer's interest in integration and likely ease of implementation
- Develop an outreach plan to create awareness of your integration capabilities and drive adoption

Test and implement integrations:

- Work with your integration partner to gather integration requirements
- Test and troubleshoot integrations
- Go-live with buyers

Plan for long-term growth:

- Identify more buyers who are candidates for integration
- Expand integration capabilities beyond PunchOut into PO and Invoice Automation

Enhancement and change management:

- Grow value by adding capabilities, leveraging Salesforce and TradeCentric features
- Use features like flow to create task/reminder messaging and efficient, in-flow approvals
- Optimize for mobile to give access anywhere, anytime - with Mobile Publisher, all Salesforce applications are automatically available in a mobile app format

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Next Steps

Connected Commerce elevates B2B eCommerce by delivering a seamless, integrated end-to-end buying experience that today's buyers expect. It enhances the B2B procurement process, ensuring maximum efficiency and value.
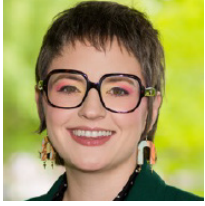
Together, TradeCentric and Salesforce work hand-in-hand to deliver a B2B Connected Commerce strategy that gives your organization the efficiency, flexibility and scalability you need to win in a digital world.

Reach out to us today and get started on your Connected Commerce journey.

Get started
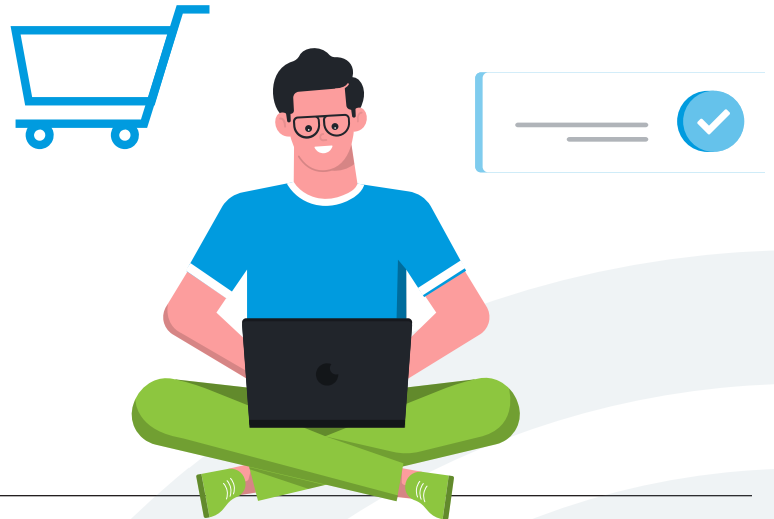
About the Co-Authors

Natalija "Nat" Pavic is a Product Marketing Leader at Salesforce responsible for Alliances Strategy. She has been in the industry for over 17 years having held a variety of positions in product, sales, solutions, strategy, and marketing.

She is also the founder and host of the Salesforce Commerce Cloud Innovations Podcast which can be found on every major podcast outlet. Nat holds a patent for generative promotions at Salesforce and is passionate about innovation in eCommerce. Her show features prominent thinkers in the industry, product leaders and customers pushing the envelope on the Salesforce Commerce Cloud platform.

Phil Eatman is the Vice President of Sales at TradeCentric. He has 15+ years of sales leadership experience, and spearheads the organization's sales and partnership strategy. He is responsible for fostering relationships and driving revenue for the organization with great industry partners such as Salesforce.

About Salesforce

Salesforce is the #1 AI CRM, empowering companies to connect with their customers in a whole new way through the power of CRM + AI + Data + Trust on one unified platform: Einstein 1. For more information visit: www.salesforce.com.

Learn more about Commerce Cloud

Get the latest State of Commerce research

Find the latest eCommerce trends and insights from Salesforce

About TradeCentric

TradeCentric, formerly PunchOut2Go, transforms the way businesses transact by enabling PunchOut, Purchase Order and Invoice Automation solutions for thousands of companies around the world. Uniquely positioned at the intersection of eCommerce and eProcurement, TradeCentric helps B2B buyers and suppliers connect, automate and scale their digital trading capabilities via a cloud-based integration platform that is fully managed and purpose-built to simplify the complexities of B2B connected commerce. Learn more at www.TradeCentric.com.

Get started

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