



HOBSON & COMPANY

# Driving ROI

**The Business Case for B2B  
Connected Commerce**

## The Business Case for B2B Connected Commerce

With competition growing among B2B commerce sites, suppliers are facing increased pressure to respond to sophisticated buyers using eProcurement technology. PunchOut capabilities facilitate eProcurement which helps attract and retain buyers. Many buyers will choose to not do business with suppliers who lack procurement automation. Additionally, without integration, suppliers often spend a significant amount of time manually processing purchase orders and invoices. If suppliers opt to integrate PunchOut, purchase order, and invoice solutions on their own, it can be extremely time-consuming and costly.

Hobson & Company (H&C), a leading research firm focused on Return on Investment (ROI) studies, worked with TradeCentric, a leading Integration- Platform-as-a-Service for B2B commerce, to explore these challenges and learn how industry leaders are responding. H&C conducted independent research consisting of in-depth interviews with numerous TradeCentric customers and found that TradeCentric addressed specific customer challenges to deliver a quick and compelling ROI.

In three years, a representative customer generated a:

**762% ROI**

### **The impact of TradeCentric's PunchOut, Purchase Order, and Invoice Automation is not only strategic but measurable.**

Based on this analysis, a representative supplier with 20 integrations for PunchOut, purchase orders, and invoices would pay back the cost of TradeCentric in 3.3 months and generate an ROI of 762% in three years.





## B2B eCommerce Supplier Challenges

Customers interviewed for this study noted that there are consistent operational and growth challenges in working with various buyers. Below is a list of some of the most universal concerns.

### Inefficient Integration Processes



eCommerce suppliers spend an inordinate amount of their time on tedious—and largely manual—processes, including PunchOut, purchase order, and invoice integrations with eProcurement systems as well as internally reviewing and entering purchase orders and invoices. This often leaves them with little time to spend managing and improving relationships with customers.

### Lack of Opportunity for Growth



Growing existing digital revenue and attracting new buyers is often hindered by a lack of integration capabilities for PunchOut, purchase orders, and invoices. Suppliers are missing a fast-growing part of the market and many buyers won't consider doing business with a supplier without this technology.

**Customer research identified six benefits of the TradeCentric solution across two key business objectives:**

**Improve Operations  
&  
Drive Growth**

# Improve Operations

## Reduce IT time to set up and manage eProcurement integrations with all buyers

TradeCentric is a purpose-built, managed cloud platform that builds, hosts, manages, and configures the integration layer between eCommerce, eProcurement, and ERP platforms. The expert integration team works directly with customers and has extensive experience building sophisticated integration packages, allowing any supplier to reap the benefits of automated integration with their customers.

**"Now we don't have to recreate the wheel every time we add a new customer. IT is not involved to add a new customer which has saved thousands of hours."**

- Program Manager

Customers interviewed reported:

**60%**

REDUCTION in time spent setting up and managing eProcurement integrations

## Reduce time on purchase order management

Customers interviewed reported:

**80%**

REDUCTION in time on purchase order management (PUN 30%, PO 50%)

For suppliers using the PunchOut integration, enabling a PunchOut catalog allows buyers to access real-time product information including SKUs, prices, availability, etc. enabling the supplier to receive orders with valid data.

TradeCentric's Purchase Order Automation integration has dynamic workflows that route documents to specific steps or users based on rules, improving the quality of orders and ensuring that the right price and the right products go straight into the ERP.

**"The whole purchase order process used to take about 8 to 12 minutes per order to do it manually vs. seconds with TradeCentric. With TradeCentric, the customer service reps only have to work on the exceptions or failures."**

- Director, Channel Development

## Reduce time spent entering, correcting and integrating invoices

For suppliers using the PunchOut integration, TradeCentric's 3-Way Matching automatically matches requisitions, purchase orders, and invoices.

TradeCentric matches PO-backed orders to invoices. It also allows suppliers to issue an electronic invoice based on the PO, matches that invoice to the original PO, and delivers it to the buyer.

**"It would have been impossible to manually input all invoices into Coupa. It would have taken 2 FTEs just to enter all the customer invoices into Coupa. It was an easy sell to use Invoice Automation from TradeCentric."**

Manager, eProcurement and Web Ops

Customers interviewed reported:

**75%**

REDUCTION in time on invoice management (PUN 10%, PO 15%, INV 50%)

# Drive Growth

## Grow digital revenue from existing buyers as a preferred supplier

TradeCentric's integration between a supplier's eCommerce platform and customers' eProcurement systems increases sales from existing customers, enabling suppliers to meet buyers where and how they want to buy.

Automating purchase orders ensures that orders are placed error-free, positioning suppliers as preferred suppliers vs. competition.

**"There is a natural, organic growth when we use TradeCentric. It improves the way we present our products and makes it easier for a customer to find what they need as well as find related products. Carts tend to grow with TradeCentric."**

- Director, eCommerce Engineering

Customers interviewed reported:

**20%**

INCREASE in digital revenue from existing buyers  
(PUN 10%, PO 5%, INV 5%)

## Attract new buyers by using TradeCentric

Customers interviewed reported:

**20%**

INCREASE in revenue from new buyers  
(PUN 10%, PO 5%, INV 5%)

Using TradeCentric with a supplier's eCommerce platform expedites integrating customers looking to automate trade using the wide variety of eProcurement or ERP systems on the market today.

TradeCentric directly addresses the need of new customers who are looking to automate their end-to-end purchasing processes, including for POs and invoices.

**"TradeCentric allowed us to enter new markets. For example, we had never been able to support hospitality, government, or healthcare before working with TradeCentric."**

- Director, Channel Development

## Reduce days in Accounts Receivable

By automating the process using TradeCentric, suppliers typically see reduced outstanding days for Accounts Receivable.

TradeCentric's purchase order to invoice matching enables buyers to process invoices faster, enabling on-time payment, and transforms invoice data so that invoices seamlessly enter buyers' systems without errors.

**"Invoices that go through TradeCentric are clean and quick. There was a big improvement on days in A/R after we automated the system. We get paid faster."**

Manager, eProcurement and Web Ops

Customers interviewed reported:

**30%**

REDUCTION in days in A/R  
(PUN 5%, PO 10%, INV 15%)

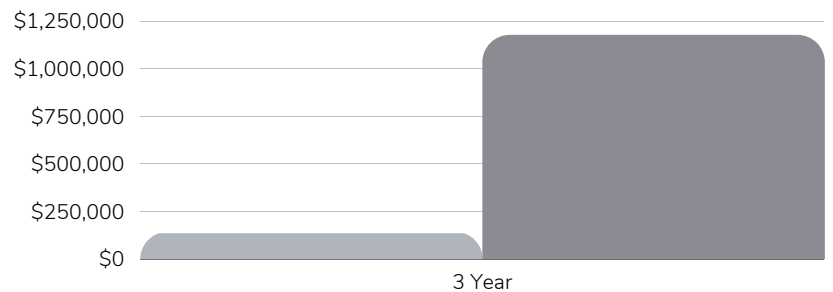
# Key Findings

## Research Results

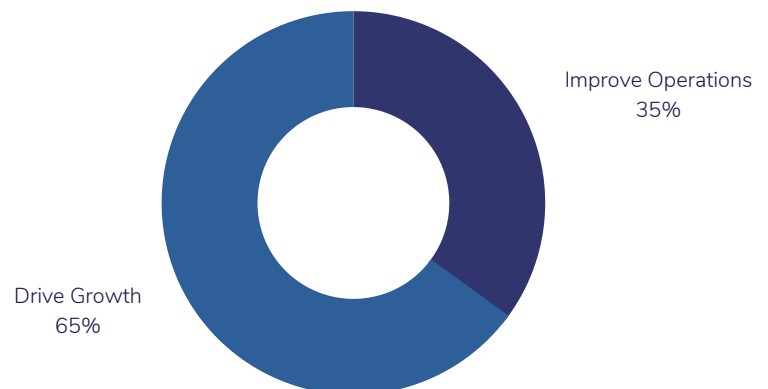
The value of an Integration-Platform-as-a-Service solution for PunchOut, purchase order, and invoice is immediate and demonstrable. For this case study, the financial impact of TradeCentric is represented by a supplier with 20 integrations. This supplier has approximately \$1M in annual revenue that could be integrated and receives 40 purchase orders and 40 invoices per day.

For this typical supplier, an annual investment of \$41,500 generates a positive return in 3.3 months and a 3-year ROI of 762%, with annual benefits exceeding \$580,000.

### Investment vs. Return



### Benefits by Business Objective







### **About TradeCentric**

TradeCentric, formerly PunchOut2Go, transforms the way businesses do business 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 and purpose-built to simplify the complexities of B2B trade and transaction processes. Learn more at [www.tradecentric.com](http://www.tradecentric.com).

### **About Hobson & Company**

Hobson & Company helps technology vendors and purchasers uncover, quantify and validate the key sources of value driving the adoption of new and emerging technologies. Our focus on robust validation has helped many technology purchasers more objectively evaluate the underlying business case of a new technology, while better understanding which vendors best deliver against the key value drivers. Our well-researched, yet easy-to-use ROI and TCO tools have also helped many technology companies better position and justify their unique value proposition. For additional information, please visit [www.hobsonco.com](http://www.hobsonco.com).

### **Disclaimer:**

The Return-on-Investment (ROI) and other financial calculations performed by this tool are based on data provided by TradeCentric customers and various assumptions and estimates only. The actual ROI realized by customers may vary from the estimates provided. TradeCentric offers this tool to assist customers with evaluating PunchOut solutions, however, TradeCentric and Hobson & Company (the firm that created the tool) are not responsible for the accuracy of any estimates.

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