HOBSON & COMPANY

Driving ROI

The Business Case for Fully Integrated B2B eCommerce

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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 13 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:

3x 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 18 integrations for PunchOut, purchase orders, and invoices would pay back the cost of TradeCentric in 8.2 months and generate an ROI of 189% (3x) 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 managing integrations in-house spend an inordinate amount of their time on tedious processes, including PunchOut, purchase order, and invoice integrations with eProcurement systems as well as internally reviewing purchase orders and invoices. This often leaves them with little time to spend managing and improving relationships with customers.

Lack of Opportunity for Growth

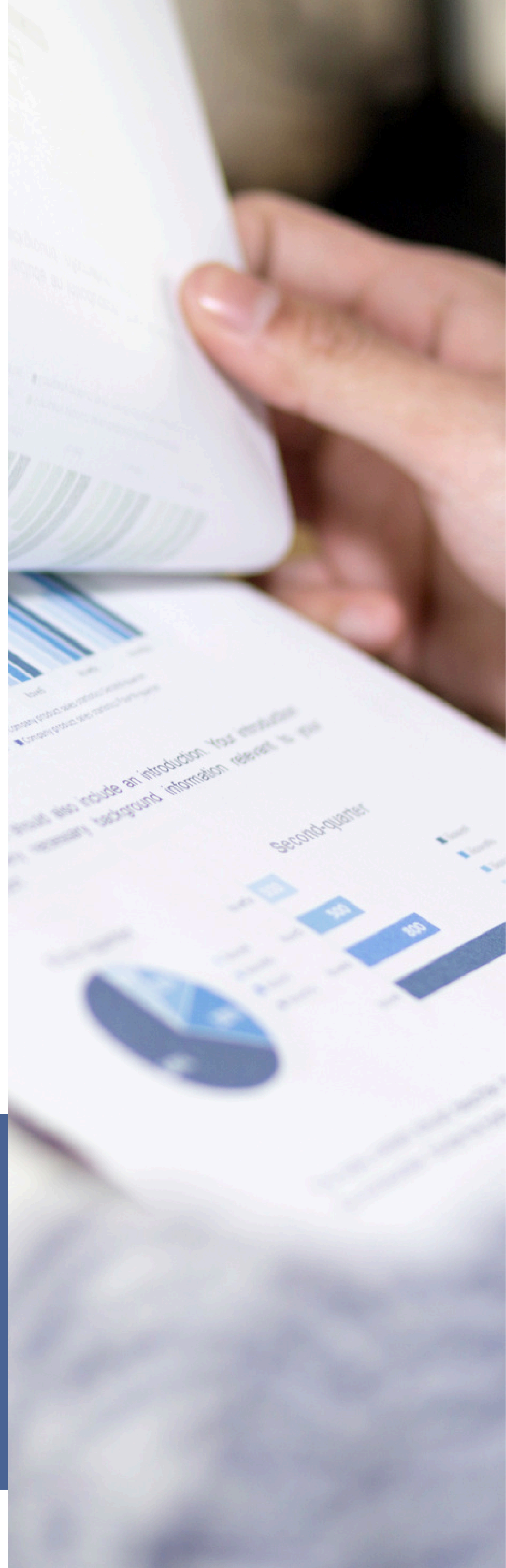
Growing existing digital revenue and attracting new buyers is often hindered by a lack of integration capabilities for PunchOut, purchase orders, and invoices. Suppliers are missing a fast-growing part of the market, and many buyers won't consider doing business with a supplier without this technology.

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.

> **"The IT manager would need to define each integration and then maintain it. Any time a customer upgraded its ERP system, there needed to be validation testing and updates. The validation is the hardest part since there is lots of back and forth with the customer. With TradeCentric, we don't have to worry about anything, and IT is barely involved."**
> - VP, IT

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

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

Reduce days in Accounts Receivable

By automating the process with TradeCentric, suppliers typically see a reduction in Accounts Receivable outstanding days.

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.

TradeCentric 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

Drive Growth

Grow digital revenue 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.

Automating invoices ensures that invoices are easily reconciled, 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

eProcurement integration also supports growth by enabling suppliers to attract new buyers they couldn't serve before. TradeCentric connects a supplier's eCommerce platform to the wide variety of eProcurement and ERP systems buyers rely on today.

Using TradeCentric, suppliers can win customers who are looking to automate their end-to-end purchasing processes, from the shopping process through POs and invoices. Often that opens whole new markets, not just more volume from the buyers a supplier already has.

> **"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

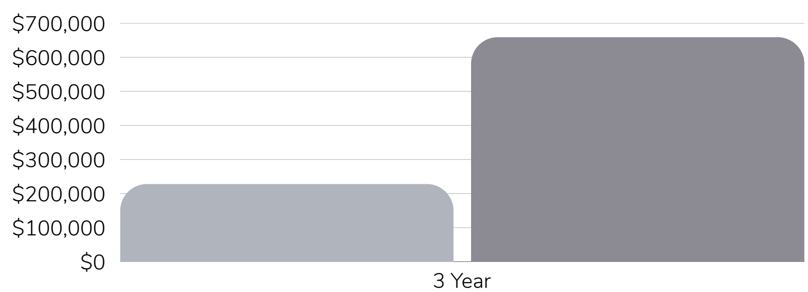
Key Findings

Research Results

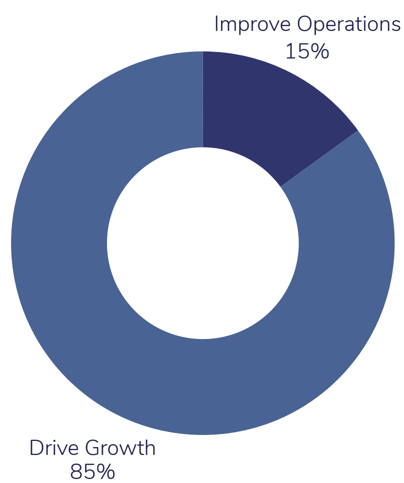
The value of an Integration-Platform-as-a-Service solution for PunchOut, purchase order, and invoice is immediate and demonstrable. For this case study, the financial impact of TradeCentric is represented by a supplier with 18 integrations. This supplier has approximately $1M in current annual revenue that could be integrated, $500K in future revenue that could be integrated and receives 6 purchase orders and 6 invoices per day.

For this typical supplier, an annual investment of $72,00 generates a positive return in 8.2 months and a 3-year ROI of 189%, with annual benefits exceeding $326,000.

Investment vs. Return



Benefits by Business Objective



About TradeCentric

TradeCentric helps enterprise suppliers integrate commerce and accelerate results by making it easier to do business with their buyers. Our platform delivers intelligent eProcurement integrations that connect eCommerce and procurement systems through solutions like PunchOut, Purchase Order Automation, and Invoice Automation. Built with intention and designed to scale, TradeCentric eliminates integration complexity and operational friction, enabling suppliers to grow revenue, drive efficiency, and power results in a new era of B2B growth. Learn more at 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.

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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