

3 Considerations for Driving B2B Business in the Order-to-Cash Process

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To best manage B2B supply chains, business leaders are faced with navigating complex payments preferences and order-to-cash (or quote-to-cash) systems. Following the digital transformation of the last few years, two areas that have seen massive acceleration are digitalization and automation, particularly regarding O2C processes. The disrupted sales channel and pivot towards more self-service offered merchants the opportunity to enter new geographies and markets, sell directly to end customers and expand their ecommerce presence. What they learned quickly is that when payments flow, business grows. If the payment strategy doesn't keep up, the entire process sinks.

An error-free, streamlined O2C process is the core of a B2B business, and it ensures payment is received on time. Broadly, it refers to all the activities that relate to making a sale and realizing its revenues – including receiving an order, fulfilling the request for goods or services and securing payment. As the industry's attention is focused on access to working capital in today's rate environment, merchants are re-evaluating business models to determine how to best digitize and automate processes for the business buyer.

Moreover, now that B2B buyers have a seemingly endless, global choice of where they do business, competition for the sale just ratcheted up a notch ... or 10. O2C for B2B businesses has now moved from the clunky but reliable process in the

background to the forefront of grabbing the sale, fulfilling it on time with a positive experience and successfully actualizing the revenue. Through a future-proof payments strategy, it is possible to turn this cost center into a business driver by meeting the expectations of today's digital-first buyer.

Here are three key considerations when evaluating a merchant's O2C process to help achieve this:

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1. When buyers have a painless B2C-like purchasing experience, the seller builds experience loyalty

Today's B2B customers want B2C-like payment experiences, so merchants must offer up multiple ways to pay – all with the ease of one-click purchasing – offering buyers the same immediate gratification as a contactless B2C transaction. A Forrester study, *Optimize Your Payment System to Seal the Deal*, found more than 90% of respondents said that improving payment options for B2B customers will improve customer satisfaction and transaction speeds, free up resources and increase business success.

2. Automated payments and invoicing systems that work smarter can remove complexity and improve cash flow

By integrating a comprehensive, full-service B2B payments solution with existing P2P and ERP platforms, it's possible to

streamline O2C and other cash-related processes. There are long-term cost-savings with AR/AP system automation, such as eliminating hours of repetitive manual tasks (and the inevitable errors); the need to email forms; days-long waits for credit decisions; and human time spent on procedures like creating PDF invoices or manual reconciliations. According to the Boston Consulting Group, automated order creation and the resulting drop in back-office effort contributed to a 15% to 30% savings in cost. Automation also improves the customer service experience, leading to a larger share of wallet, more loyal clients and the reduction of non-payment risk.

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3. Instant decisioning and credit help merchants increase sales and attract new, repeat customers who buy more, more often

Business customers prefer to purchase on terms and will spend more when they have a dedicated financial relationship and credit line with a business. In fact, 15% of B2B buyers spend more when offered trade credit. Even more importantly, the same research highlighted 82% would choose one vendor over others if that vendor offered invoicing at checkout with 30-, 60- or 90-day terms. Fast decisioning qualifies and secures more buyers with the right payment terms and the right credit lines and grows a loyal buyer base.

In the end, transforming an O2C process can yield sales growth, cost savings and faster payments as these enhancements enable merchants to offer more dynamic pricing and promotions, to boost the capacity of the sales team and lower process lead times. By automating certain aspects of the payment process, B2B businesses can reduce the burden on their finance and

accounting teams and free up time for other tasks. Merchants will also see increased customer satisfaction thanks to the simplified order experience, real-time complaint resolution, fewer disputed invoices and greater process transparency.

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The time is now for B2B merchants to update outdated O2C processes and systems. As more and more transactions are taking place online, the ecommerce floodgates are wide open, and manual processes simply can't keep up with transactions that must occur in mere seconds. O2C processes that embrace customer centricity and an end-to-end payments strategy at the core will support rapid scalability – for new markets, channels and customers – and uncover global opportunities, all while building true loyalty with a growing base of business customers.

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