The Benefits of PunchOut Catalogs For Suppliers and Customers



Starting with a simple purchase order and finishing with payment of a vendor invoice, your company's procure-to-pay (P2P) process is rich with opportunities for optimization and improvement. One such opportunity lies with P*unchOut catalogs* (sometimes called *punch out catalogs* or *punch-out catalogs*).

These hosted catalogs are used to provide buying organizations with a direct connection to a supplier's goods and services, integrating an intuitive, eCommerce-style shopping experience that conforms to your company's internal controls and negotiated terms and pricing.

Intelligently applied, PunchOut catalogs give modern procurement teams a reliable method to improve not only the speed and accuracy of their purchasing processes, but also spend management and supplier relationship management.

Understanding the Benefits of PunchOut Catalogs

Traditional—which is to say, paper-based, analog, and manual—paradigms for business-to-business (B2B) procurement rely on the use of physical supplier

catalogs to provide pricing, terms, and other supplier information to buyers.

After consulting a supplier's catalog, the buyer manually transfers the information to a purchase order and begins the chain of approvals and transactions required to obtain goods or services.

Using this model, the buying process is time-consuming, rife with potential for human error, and operating at suboptimal efficiency from beginning to end.

More advanced approaches acknowledge the existence of modern technologies like the Internet.

A buyer might, for example, consult a supplier's website rather than a paper catalog, add their desired purchases to a virtual shopping cart, and then checkout through the supplier's eCommerce platform.

However, this approach still lacks true integration with the buyer's own procurement system.

The buyer must still record the transaction manually in their eProcurement software, and may miss out on negotiated discounts or other incentives if they check out as a guest (for example) rather than logging in with their company credentials.

Consequently, the risk of error and delay remains regrettably high.

Enter the PunchOut catalog.

The modern paradigm for procurement is increasingly focused on digital technologies and centering procurement as a source of value creation as well as cost savings; punch catalog integration serves as a key part of not only procurement optimization, but overall digital transformation planning.

Punch out catalogs (also called *punch out websites* or simply P*unchOut sites* if they're connected to, but accessed separately from, the buyer's procurement application) provide the same B2B eCommerce experience as accessing the supplier's eCommerce website directly.

Instead of paper catalogs or a completely distinct supplier website, however, they serve up information in a variety of formats (catalog interchange format, or CIF,

open catalog interface, or OCI, commercial extensible markup language, or CXML, etc.) through a dedicated, eCommerce-style interface.

And since these hosted catalogs are connected directly to the buyer's eProcurement system, buyers enjoy a guided buying experience that automatically suggests the best products at the best terms and pricing, capturing negotiated discounts and ensuring the optimal supplier is selected for any given purchase.

As an eProcurement tool, PunchOut catalogs provide a convenient and versatile way for procurement teams to gain real-time access to updated, accurate, and complete supplier information, pricing, and terms.

They also offer unique benefits to catalog management, contract management, and supplier relationship management, as they improve both communication and collaboration between buyers and their suppliers.

> *PunchOut integrations create opportunities to work directly with your suppliers to share data and insights. They strengthen supplier relationships by eliminating small problems that lead to big headaches. And they provide, over time, the spend data both parties can use to identify areas in need of improvement or potential opportunities to become strategic partners.*

Key Benefits of PunchOut Catalogs

The largest benefit of PunchOut catalogs—namely, a direct connection between your own eProcurement system and all the vendors in your supply chain—is easy to see.

The increased speed and accuracy are welcome improvements over antiquated models, but they are merely the leaping-off point for deeper, more specific benefits to the overall procurement process and the relationships you build with vendors large and small.

1. Cleaner, More Complete Data

Whether you're just starting out in digital transformation or ready to spread the improvements you've already realized to the rest of your business after optimizing

procurement, you need high-quality, complete, and accurate data to drive process improvement, financial forecasting and reporting, and strategic decision-making and planning.

With supplier information that's updated in real time directly from your vendors' systems:

- Your team always has the correct item, pricing, and shipping information for the goods you purchase—and the option to compare it to your existing contract terms and pricing to take advantage of temporary deals or determine whether a renegotiation is in order.
- Rogue spend and invoice fraud are reduced or eliminated, improving cash flow management and data purity for analysis, forecasting, and spend management.
- Integration with inventory management helps eliminate duplicate orders.
- The need for manual data entry is eliminated. Purchase orders and requisitions are faster, more accurate, and complete; invoicing is faster, too.
- Category management is also improved, making it easier to streamline your supply chain while still using contingency-sensitive planning to protect business continuity.

2. A Streamlined Shopping Experience

B2B integration gives your buyers access to complete product catalogs directly inside your eProcurement system.

Shopping carts, discount codes, and other hallmarks of the eCommerce experience are built in, too, so buyers can easily find what they need and check out quickly.

Support for single sign-on (SSO) means your buyers can access your entire supply chain without needing to manage logins for dozens of separate eCommerce sites.

Better still, integration with your procurement application makes it easy to automatically generate a purchase requisition or purchase order and route it for approval.

You can even set spend thresholds for automatic approvals to speed things along

even faster.

3. Benefits for Suppliers

It's tempting to consider PunchOut catalogs as exclusively beneficial to buyers, but in truth they make life much easier for suppliers, too.

- They can update their pricing, line item descriptions, shipping information, etc. in real time without worrying about manual updates to all their customers.
- Customer retention is improved thanks to optimal pricing, intuitive buying experience, and guided buying.
- They can offer special discounts and limited-time offers directly inside the system, use promotional codes, etc.
- Integration makes for easier, more consistent, and transparent invoicing, improving suppliers' ability to manage their own cash flow and financial planning and reporting.
- Branded integrations provide suppliers with opportunities to leverage their intellectual property, name recognition, etc.
- Integration also provides opportunities for suppliers to upsell, within the limits of the buyer's contractual obligations and capabilities.

Amazon Tested, Seller Approved

PunchOut catalogs might not yet be universal, but they're certainly on their way. In fact, the world's largest retailer, Amazon.com, relies on PunchOut catalog integrations to provide its Amazon Business customers with an intuitive and easy way to sell on its massive eCommerce platform.

As of 2018, more than a million small businesses chose to use Amazon's platform to offer their goods, using the company's robust offering of small business tools—including support for a dazzling array of eProcurement systems.

The retail juggernaut has prioritized digital tools like punch out catalogs, process automation, workflow integration and advanced analytics to create a comprehensive system where buyers can not only plug in their own supplier catalogs but connect their Amazon activity directly to their accounting, procurement, and ERP software in order to improve their own business process

optimization and spend management.

Organizations as diverse as the University of Washington, the Office of Management and Enterprise Services (OMES), and livery giant Uber—along with small businesses in more than 130 countries around the world—rely on Amazon's tools to do business.

Getting Started with PunchOut Catalogs

Of course, you don't need to be a global megacorporation to make PunchOut integration part of your purchasing system.

PLANERGY, for example, includes native support for punch out catalog integration, seamlessly connecting vendor data to buying, data analysis, and process automation and optimization.

Choosing a complete eProcurement software solution like PLANERGY improves PunchOut integration with process automation (powered by artificial intelligence) and powerful data management and analysis tools.

This means you can do more with the data you collect and manage, from contract and category management to full integration with other software, such as accounting suites or enterprise resource planning (ERP) solutions.

Guided buying, full data transparency, and P2P automation make every stage of procurement faster, easier, and more accurate.

Lower costs, fewer errors, and more valuable strategic insights from your spend data add up quickly, creating significant savings and bolstering your bottom line.

And since all of the catalog maintenance is done on the vendor's end, your team doesn't need to dedicate time or resources to updating records, or worry about the risk of potentially costly errors created during data entry.

But it's not just savings. PunchOut integrations create opportunities to work directly with your suppliers to share data and insights.

They strengthen supplier relationships by eliminating small problems that lead to big headaches.

And they provide, over time, the spend data both parties can use to identify areas in need of improvement, or potential opportunities to become strategic partners in innovation, product development, or process development.

PunchOut Catalogs Boost Productivity and Purchasing Power

Say goodbye to outdated, error-prone buying and embrace the accuracy and versatility of PunchOut catalogs.

Integrate your suppliers' catalogs directly with your own procurement system, and you'll gain greater transparency into your spend and more control over your buying processes.

Plus, you'll build stronger, more collaborative relationships with your suppliers through shared data management, fast and accurate payments, and shared opportunities for growth and success.

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