

Use Case

Buyers can manage 'tail spend' more efficiently with payment terms on new procurement marketplace



The sector

The global procurement as a service market was valued USD 5.78 billion in 2020 and is projected to grow more than 8% (CAGR) by 2028.

The procurement market in Australia is relatively mature. While large corporates have a choice of global platforms to manage their procurement needs, mid-market corporates tend to be less well served. A particular issue faced by most corporates is managing 'tail-spend' where small volume orders need to be sourced from a large number of suppliers.

The problem

'Tail spend' accounts for around 10-20% of all corporate procurement worldwide and creates huge inefficiencies. While large corporates use procurement platforms such as Coupa to manage their spend, these options tend not to include a tail-spend solution in the Australian market. This type of procurement is therefore highly inefficient for both large and mid-sized corporates who then must employ manual processes to meet their procurement needs.

'Unlike buying goods and services for ourselves as consumers, buying for businesses is hard,' said **James Norfor, co-founder of b2buy**. 'The team that set up b2buy includes ex-Chief Procurement Officers of major corporations, so we have deep knowledge of the administrative burden and inefficiencies associated with the procurement process for SMBs. The user experience of the purchasing process also has a lot of room for improvement.'

The processes

Corporate buyers usually need to set up and validate each supplier on their procurement system and perform tasks such as test billing to confirm banking details are registered accurately. Once they begin doing business with their suppliers, businesses have the onerous task of reconciling potentially hundreds of thousands of purchases against invoices.

One way the b2buy marketplace simplifies processes for businesses is by offering payment methods that enable them to easily do business with individual suppliers.

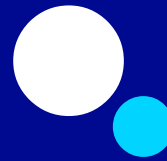
'Offering payment on terms was essential to the b2buy value proposition,' explained James, 'but we didn't want to go through all the complex and time-consuming steps needed for us to offer a line of credit to our corporate buyers.'

The solution

'We had a very clear technology strategy,' said James, 'which was to 'buy not build'. Choosing TreviPay meant we could offer payment on terms without worrying about underwriting the risk, PCI compliance, regulations or Australia's notoriously complicated AML rules.'

By offering payment on terms, b2buy eliminated huge amounts of complexity all the way from the buyer's user experience to the Accounts Receivable and Accounts Payable functions.

Buyers can now apply for a line of credit that can be spent exclusively across the entire b2buy marketplace. Responsibility for risk assessment and underwriting is taken care of by TreviPay. The application and risk assessment process takes place within a day or so as part of an entirely digital experience, which is critical for an online marketplace.



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Approved buyers can begin spending their credit within the marketplace immediately with a one-click ordering process, making ordering quick and easy.

This means that b2buy and its trading members/suppliers are paid on either their preferred timing of two days or 30 days guaranteed. TreviPay takes care of collecting from buyers and Day Sales Outstanding (DSO) is eliminated.

As the credit is usable only within its marketplace, b2buy not only encourages more sales for suppliers on its platform, but it also drives customer loyalty.

Integration and UX

Its API-first design meant that the TreviPay solution was quickly and seamlessly integrated into the b2buy online marketplace. 'The technical integration of TreviPay into the b2buy marketplace was a positive experience,' said James. 'We had great communication with the TreviPay technical team throughout testing to full deployment.'

User experience and simplicity were key to the b2buy proposition. 'We liked the way TreviPay designed their payment pages,' explained James. 'In fact, we mirrored their layouts elsewhere to make process seamless in other areas of the b2buy marketplace experience.'

Because TreviPay can be fully branded with its client logo and colour palette, b2buy was able to create a seamless user journey and online experience for both corporate and SMB clients.

Reaching both large & mid-size corporates

Growth is at the top of the business agenda for b2buy. The team has already established a strategic relationship whereby Coupa now offers b2buy to their 150 large corporate customers in Australia via a direct integration with the Coupa platform. The b2buy marketplace is beginning to supply FMCG goods to mid-market corporates in Australia that have less formal procurement processes.

'In addition to expansion into New Zealand and Asia that was already part of our strategic plan, an opportunity has also arisen for us to enter the US market, which is where TreviPay is based so their global footprint is certainly helpful to our international expansion,' added James.

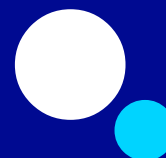
Why TreviPay?

With extensive senior level procurement expertise in the team, it is no surprise that b2buy were careful in their selection process. 'Yes, we certainly looked at alternative suppliers,' said James. 'We posed some specific challenges that TreviPay was able to accommodate.'

TreviPay had already been proven and implemented by other marketplace solutions around the world. And the operational footprint of TreviPay included a local presence in Australia.

"We had a high level of comfort with TreviPay - they covered all bases. TreviPay felt like good, professional people to do business with - and the commercials worked for us."

James Norfor, Co-founder of b2buy



Benefits across the ecosystem

The TreviPay solution delivered benefits for b2buy, the members of its new marketplace and its corporate clients.

For the b2buy platform, the benefits include:

- Creating competitive advantage from improved payment flexibility
- Easy integration into the b2buy platform with API first technology
- A proven global partner with local presence
- Ability to offer large credit lines (\$1m+)
- Flexible integrations

Large corporate clients can automate and manage tail spend to deliver benefits including:

- One supplier and a single contract for Procurement
- Access to a line of credit and payment on terms
- Improved User Experience for purchasing
- Simplified Accounts Payable processes
- Automated payments for low value orders

For mid-market corporates, benefits include:

- A new digital marketplace for procurement
- Access to a line of credit and payment on terms
- Simple Accounts Payable processes
- Improved cashflow

For sellers on the marketplace, benefits include:

- Reach more confirmed customers, through a new market channel
- Simplified Accounts Receivable processes
- Potential to sell more as buyers have their own line of credit
- Receive payment on order, not on shipment
- Aggregated volumes rather than many individual orders to process
- Opportunity for wholesalers to join the marketplace



Summary

B2buy designed its marketplace to achieve specific goals with a clear strategy both in terms of its business model and approach to technology. Its 'buy not build' strategy helped b2buy accelerate its market entry. By selecting TreviPay to provide trade credit services to its corporate buyers, b2buy outsourced responsibility for many complex and resource-intensive tasks. Risk assessment, underwriting, compliance and collections were provided by

TreviPay, enabling b2buy to focus its resources on vital business development activities.

The international presence of TreviPay and its long list of client successes around the world made it a natural choice for b2buy to meet its planned expansion in the APAC region as well as taking advantage of emerging opportunities in the US.

Other Marketplaces Who Trust TreviPay:



About TreviPay

At TreviPay, we believe loyalty begins at the payment. Thousands of sellers use our global B2B payments and invoicing network to provide choice and convenience to buyers, open new markets and automate accounts receivables. With integrations to top eCommerce and ERP solutions and flexible trade credit options, TreviPay brings 40 years of experience serving leaders in manufacturing, retail and transportation.

To learn more about TreviPay, visit www.TreviPay.com.