The Amazon Effect: How A/R Can Help Deliver a World-Class B2B Customer Experience

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As originally published in the Credit Research Foundation Q4 2019 CRF News

In many organizations, marketers are the ones charged with creating a world-class customer experience. Why? Because the perception is they are responsible for every externally facing touchpoint. Things like websites, social media posts, blogs, advertising and printed materials are all developed and controlled by the marketing function, and rightly so. And that goes for both the B2B and B2C worlds. But, the majority of B2B customers don't think the companies with which they do business deliver the same experience they receive in the consumer world. In fact, according to McKinsey research, 65% of B2B customers don't think their experiences with other businesses match their experience with consumer companies. Does this mean that B2B marketing efforts aren't on par with those of consumer brands? Or is B2B simply viewed as a more utilitarian space, where function over form is the rule.

In this article, we'll explore the reasons why B2B customers don't feel like they're getting a state-of-the-art experience, as well as how the order-to-cash experience can reverse this perception.

The Amazon Effect

Think about your own consumer world. You're placing an order from a computerized kiosk at a restaurant, allowing you to confirm that your order is accurate. You do most of your personal banking online, complete with the ability to take a photo and deposit a check with your smartphone versus making a trip to a brick and mortar banking office. You use your smartphone and do holiday shopping instead of visiting a crowded mall and fighting for a parking space. It's a climate where instant gratification is served up in an easy-to-understand package which encourages repeat purchasing, suggests alternatives based on past behavior and hooks you with "free," one-day or even same-day delivery. This is the Amazon effect. And it's changed everything about how we perceive a world-class customer experience.
The Amazon effect, according to one online definition, is the "ongoing evolution and disruption of the retail market, both online and in physical outlets, resulting from increased e-commerce. The name is an acknowledgement of Amazon's early and continuing domination in online sales, which has driven much of the disruption." Amazon's convenient browsing, ordering and tracking interface continues to set the standard for what consumers expect.

How can B2B companies take a page out of Amazon's book, differentiate and win with customer experience? After all, if your customers can enjoy Amazon-like ease-of-use, they'll be more likely to report being satisfied with your company and perceive you as being easier with which to do business. From an A/R perspective, implementing the Amazon effect can be done, and a good place to start is when you onboard a new customer.

Automated Onboarding

What keeps customers happy? Getting them off to a great start. Applying the Amazon effect to your customer onboarding process means a smooth, seamless and hassle-free credit application process. Inflexible PDFs, unseen credit applications and slow validations aren't world-class, don't make new customers happy and delays the ultimate outcome -- placing orders. Unfortunately, a lot of B2B suppliers subject their customers to an experience that gets them started on the wrong foot. Automation can play a big role in successful onboarding. And today's credit application tools give you that, as well as flexibility, helping you accelerate the entire application process.

Without an elegant, online solution, it's common for credit applications to stall during the approval process or get lost in the shuffle of competing priorities. That's because analysts often lack the framework needed to review all pieces of a credit application in one place and make an informed decision. As you know, critical information such as when the application was initiated, which references have responded and the applicant's score and profile are all considered when making a decision, and it often takes days or weeks to compile from multiple sources. This leads to a poor customer experience and ultimately lower customer satisfaction.

Look for ways to automate collecting an applicant's third-party trade and bank references, tax documents and financial information, and for tools that approve or deny applications based on defined parameters. Automated credit applications which are designed to your company's brand standards offer your customers a seamless, branded experience.

But enhancing the customer experience and fully implementing the Amazon effect goes beyond the initial credit application.

Automating Order-to-Cash

As consumers, we're used to having easy access to our invoices and payment history, and it's also simple to return a product or dispute a transaction. Unfortunately, it's not always so smooth on the B2B side. This is why the order-to-cash cycle is front and center in driving customer satisfaction. It's important that cash is applied properly, disputes are resolved quickly and professionally, and invoices are delivered the way a customer wants.

Presenting a smooth, seamless automated experience, all the way from invoicing and payments to cash application and collections solutions, not only makes you look great but also drives efficiencies, helping you grow revenue and increase profitability. Interestingly, a recent Hackett Group study found that companies leveraging technology and automation to optimize process management spend up to 85% less managing the order-to-cash process.

A best practice is to offer your customers a branded portal where they can self-serve and integrate with your company's e-commerce site. Another important area, in light of growing forms of electronic payments, is the ability to automate payment acceptance from ACH to credit cards, especially one-time-use cards. Automated cash application platforms apply AI and machine learning to determine the customer's intent to apply payments efficiently without manual processing. And even though it's not the most glamorous part of the process, automated collections can even impress with automatic reminders of payments coming due and proactive dispute resolution to properly log and escalate issues, so they are solved more quickly.

By automating, you optimize both the transactional and relationship management aspects of the order-to-cash processes and deliver experiences on par with what your customers have come to expect from consumer brands.

More Accounts Payable Providers Can Create Challenges

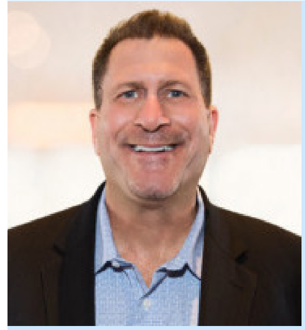
You're probably well aware of the increasing number of accounts payable platforms your customers are using which impact how you send invoices and receive payments. According to a Gartner study, by 2025, over 50% of mid-market and large businesses will have deployed procure-to-pay suites, creating a new set of challenges for A/R. On one hand, you want to accept payments the way your buyers want to send them to you. On the other hand, with your customers using so many different A/P platforms, which ones will you embrace and at what cost?

The inefficiency in payments flowing between buyer and seller is ripe for disruption. We are starting to see payment networks that serve as a hub, capturing a payment and standardizing how it's received by the supplier.

A payments network automatically connects you, the supplier, to many of the different third-party bank, ERPs and A/P platforms your buyers are using to pay you. When your invoice is approved to pay, the payment network captures that payment instruction and moves the money to you the way you already receive ACH or credit card deposits. It then obtains the remittance from those systems, posts it and presents it to you in a format compatible with your A/R process. To summarize, payments come in the same remittance file with the same funding mechanism you've already established.

The benefits to a supplier are many. Payments are received faster because they're processed the same day they're initiated by your buyer. Suppliers also have more control because they can broadcast their payment preferences to A/P platforms via the payments network. You're also not asking your buyers to change their payment behavior, so you make them happy by being able to easily accept payments from their platform. And with consolidated remittance, fewer phone calls from payments providers and no IT support required or changes to your current system, a payments network sets the standard and makes your life easier, all while giving customers the best service of all -- allowing them to pay you however they want.

The Amazon effect is real. Its impact on how all of us perceive every online transaction can't be understated. And it's not going away -- especially as the workforce becomes more digitally savvy and adapts new technology. Doing your part to enable B2B buyers to have that same great experience, whether they're at home holiday shopping online or at work engaging with your company's A/R platform, creates nothing but positive feeling towards your brand.



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