

Smart Start Guide:

# Quick Guide to Effective Credit Management for B2B Buyers



# Goals:

- Understanding B2B Buyer Needs: Key Differences from Consumer Markets
- Strategic Customer Segmentation: Tailoring Your Approach to Different Business Clients
- Optimizing Credit Lines: Ensuring the Right Fit for Every Business
- Respecting Buyer Purchase Controls: Aligning with Business Procurement Policies
- Streamlining Invoicing: Meeting Business Requirements with Precision
- Efficient Onboarding: Navigating Privacy Rules and Communication for Business Credit Applications

# Executive Summary

In B2B commerce, developing a net terms program that meets the specific needs and preferences of business buyers is essential for success. This program must address the following areas:

## B2B Buyer Needs

Address the complexity of procurement processes involving multiple stakeholders and advanced platforms like SAP Ariba, Coupa and Basware. Align with specific buyer requirements, including purchase orders, invoicing and procurement policies.

## Strategic Customer Segmentation

Customize credit management, support and collections based on Lifetime Value (LTV) and Average Order Value (AOV). Segment customers by purchase frequency and size to avoid a one-size-fits-all approach.

## Streamlined Onboarding

Implement smooth and efficient credit application processes with clear communication, privacy compliance, enhanced verification and secure access to prevent unauthorized use.

## Optimized Credit Lines

Provide swift responses for established buyers, manage credit lines proactively and enable seamless approvals through fully digital underwriting processes.

By addressing these critical areas, businesses can create a tailored net terms program that enhances buyer satisfaction, streamlines procurement and optimizes financial performance.

# Understanding B2B Buyer Needs

To successfully cater to B2B buyers, we need to understand their complex purchasing processes, the involvement of multiple stakeholders and their use of advanced procurement platforms.

## Complex Purchasing Processes:

- Buyers often follow strict purchasing procedures managed by dedicated procurement teams.

## Involvement of Multiple Stakeholders:

- The purchasing decision typically involves various stakeholders, such as the end-user, procurement and accounts payable (A/P) departments.

## Use of Procurement Platforms:

- Many businesses utilize advanced procurement platforms like SAP Ariba, Coupa and Basware to streamline spending, processes and the ingestion of invoices, purchase orders and other documentation.

## Unique Buyer Requirements:

- Each buyer has specific rules and requirements, which sellers must accommodate, including:
  - Purchase Orders: Requiring a purchase order before a transaction.
  - Invoice Delivery: Sending invoices directly to the buyer's A/P system.
  - Guardrails: Adhering to constraints on who can purchase, when purchases can be made and the allowable purchase amounts.

# The Difference Between B2C and B2B Buyer Needs

B2B buyers differ significantly from B2C buyers due to their strict business and reporting requirements, yet they offer greater opportunities through more frequent and larger purchases.

## B2C Requirements



- Single Buyer
- Smaller Purchases
- No Invoice Needed



### Preferred Payment Method



Cash



Card Payments

## B2B Requirements



- Buying Groups
- Larger Purchases
- Invoice Necessary
- Buyer Hierarchies
- Cash Flow
- Purchase Controls
- Tax Compliance
- Data Requirements
- Tracking in Systems

### Preferred Payment Method



Card Payments



Trade Credit

## Strategic Buyer Segmentation:

# Tailoring Your Approach to Different Business Clients

Effective management of your net terms buyer portfolio requires a tailored approach that adjusts the way we handle support and collections based on each buyer's unique value and behavior. By strategically segmenting buyers, businesses can optimize net terms programs, reduce fraud and risk and improve program growth.

### Strategic Segmentation:

- Analyze your buyer base to determine who should be offered net terms and the appropriate level of support.
- Segment buyers based on purchase frequency and size, not just revenue.

### Tailor Support and Collections:

- Adjust your level of support and collections processes based on each buyer's Lifetime Value (LTV) and Average Order Value (AOV).

### Avoid One-Size-Fits-All Solutions:

- A universal approach to credit management is inefficient and risky. Allowing all buyers to apply for net terms can be resource-intensive, increase fraud risk and reduce program effectiveness.

### Buyer Profiles and Recommendations:

- Infrequent, Large Orders: These buyers may need net terms but require lower support and customization.
- Frequent, Small Orders: These buyers might not be suitable for a net terms program.
- Frequent, Sizable Orders: These buyers are ideal for net terms and should receive higher support, including customized invoices, ERP system integrations and proactive communication about past due invoices.

# Efficient Onboarding

A streamlined and efficient onboarding process is crucial for trade credit applications, which require adherence to specific privacy rules and clear communication. By developing a targeted program enrollment with secure access and customizable experiences, businesses can enhance satisfaction, ensure compliance and prevent fraud.

## Targeted Program Enrollment:

- Develop a specific business program that requires user enrollment, complete with a secure login and password. This ensures only authorized businesses can access and apply for your credit program.

## Streamlined Processes for Business Credit Applications:

- Ensure a smooth and efficient onboarding process by tailoring your approach to business credit applications, recognizing that privacy rules and communication differ significantly from consumer credit applications.

## Customizable Onboarding Experience:

- Offer a customizable onboarding experience that caters to the unique needs of each business, enhancing satisfaction and engagement.

## Clear Communication and Privacy Compliance:

- Adhere to distinct privacy regulations and communicate clearly throughout the application and approval process to build trust and ensure compliance.

## Enhanced Verification and Authorization:

- Utilize robust verification and authorization processes to confirm the legitimacy of business applicants and safeguard your program from fraud.

## Secure Application Access:

- Provide application links behind a secure login to prevent unauthorized access and maintain the integrity of your program.

# Optimizing Credit Lines

To meet the high expectations of established business buyers, suppliers must ensure rapid and efficient credit line management. Implementing proactive credit line increases and fully digital underwriting processes can provide the seamless and timely credit approvals that procurement departments require.

## Fully Digital Underwriting:

- Utilize fully digital underwriting processes to provide quick and seamless credit approvals, ensuring buyers have the credit they need, exactly when they need it.

## Rapid Response for Established Buyers:

- Established business buyers expect swift responses from suppliers when they're ready to purchase. Delays caused by manual, multi-day processes for increasing credit lines are unacceptable for procurement departments.

## Proactive Credit Line Management:

- Implement proactive credit line increases to ensure buyers have access to the necessary credit without delays.



## Respecting Buyer Purchase Controls:

# Aligning with Business Procurement Policies

Buyers implement purchase controls for what can be purchased, when, how and by whom. To sell to businesses, merchants must honor these processes.

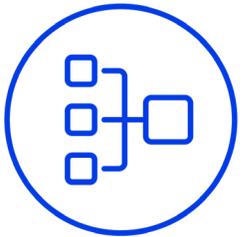


- 1 Segment users into groups, assigning custom, role-based permissions, individual credit limits and other features
- 2 Limit SKUs available for purchase
- 3 Implement approval workflows
- 4 Choose how they receive billing statements – in PDF, EDI, XML or cXML – directly in their A/P system
- 5 Access invoice data, dispute an invoice and pay online

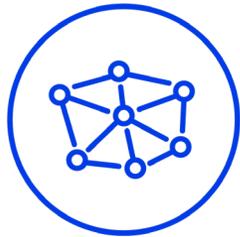
Streamlining Invoicing:

# Meeting Business Requirements with Precision

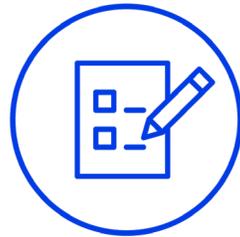
To get paid the fastest, merchants need to meet buyer **invoicing requirements**.



Providing Level 3 Data and SKU-level detail for each line item.



Linking all purchases to a purchase order.



Including industry-specific information like VIN, fuel type, tail numbers or passenger details.



Direct integrations with buyers. Sellers have seen a 179% average uplift in volume in the first year after integrating with buyers.



Invoicing in cXML, XML and EDI formats. Buyers may refuse to accept PDF invoices that need to be rekeyed.



Did you know?

## Level 1, 2 and 3 Data

Level 1, 2 and 3 data provide additional information about a transaction. The main difference is the amount of data provided.

1

**Level 1 data** includes basic information such as purchase amount, card number and expiration date. This is the standard business-to-consumer card processing data present in all credit card statements. The vast majority of merchants are stuck at Level 1.

2

**Level 2 data** includes additional information such as the tax amount, merchant's postal code and customer code. For example, fleet operators may want to see fuel type and amount while airlines pass through thicket number and passenger details.

3

**Level 3 data** includes even more information and line-item details including product descriptions, quantities and prices. Level 3 data will have the same data as Level 1 and 2 plus this additional data.

# Partnering with TreviPay

TreviPay stands ready to be your net terms program strategic partner. With our expertise in effective credit management, we offer personalized mentorship and hands-on support to help you meet the unique needs of B2B buyers.

From optimizing credit lines and respecting buyer purchase controls to streamlining invoicing and ensuring efficient onboarding, TreviPay provides the cutting-edge technology and industry know-how to ensure your success. Together, we can create a seamless, robust net terms program that empowers your business and delivers exceptional value to your clients.

**Partner with TreviPay and unlock the full potential of your credit management strategy.**



# TreviPay Understands the Complexities of B2B Transactions

B2B Buyer Needs	TreviPay	Benefits
Invoicing	✓	Buyer A/P Reconciliation
Dedicated Credit Line (No Cross Sell)	✓	Merchant Loyalty
P.O. Presentment on Invoice	✓	Purchase Controls
Parent/Child Set Up	✓	Purchase Controls
Flexible Terms: Net 30, 45, 60 & 90	✓	Meet Different Cash Flow Needs
Buyer ERP Integration/Digital Invoicing	✓	Touchless Billing
B2B Centric Chargeback Rules	✓	Merchant Friendly
Limited Late Fees & Interest	✓	Get Paid on Time
Large Credit Line	✓	Buyer Purchasing Power

## Additional Resources:

- [Creating a Seamless Procure-to-Pay Experience for Enterprise Customers](#)
- [Loyalty Begins at the Payment™](#)
- [Research Insights: B2B Buyers Expect a Better Payments Experience](#)
- [Boost Buyer Spend with TreviPay's Invoice Integrations](#)

Visit [TreviPay.com](https://TreviPay.com) to learn more.