



Opportunities to Digitize B2B Commerce with Pay by Invoice and the Automation Flywheel

by Rom Mascetti, Amilee Huang and Annan Zulfiqar

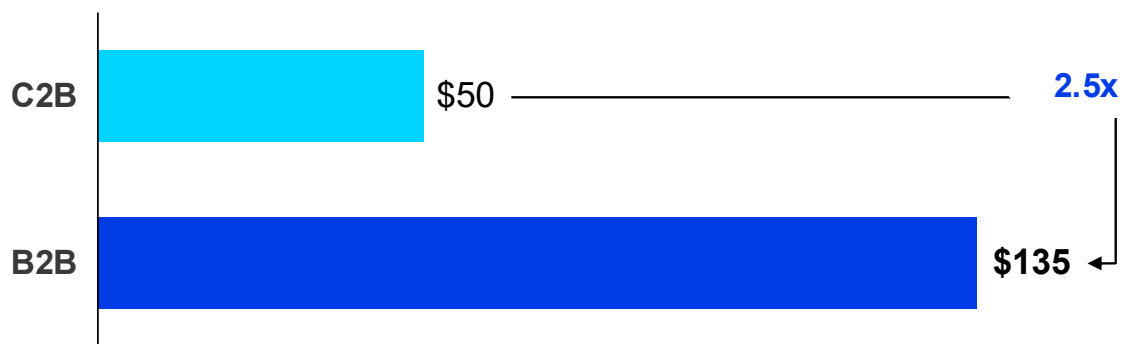


Introduction

The B2B (business-to-business) payments market represents a \$135 trillion opportunity, more than 2.5x larger than consumer commerce. Yet the market is weighed down by manual processes, fragmented workflows and costly inefficiencies.

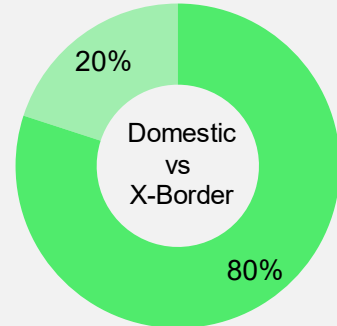
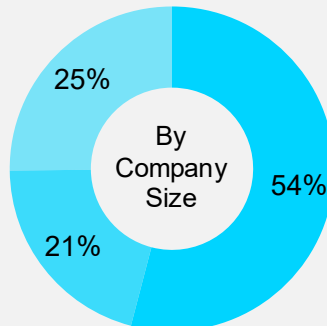
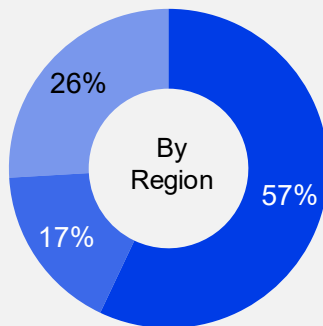
Figure 1: Global C2B and B2B Market Size

(2023; est. in trillions of \$; % of total)



Global B2B Payments Volume

RoW EU NA Small Medium Large Cross-Border Domestic



Source: Flagship Advisory Partners
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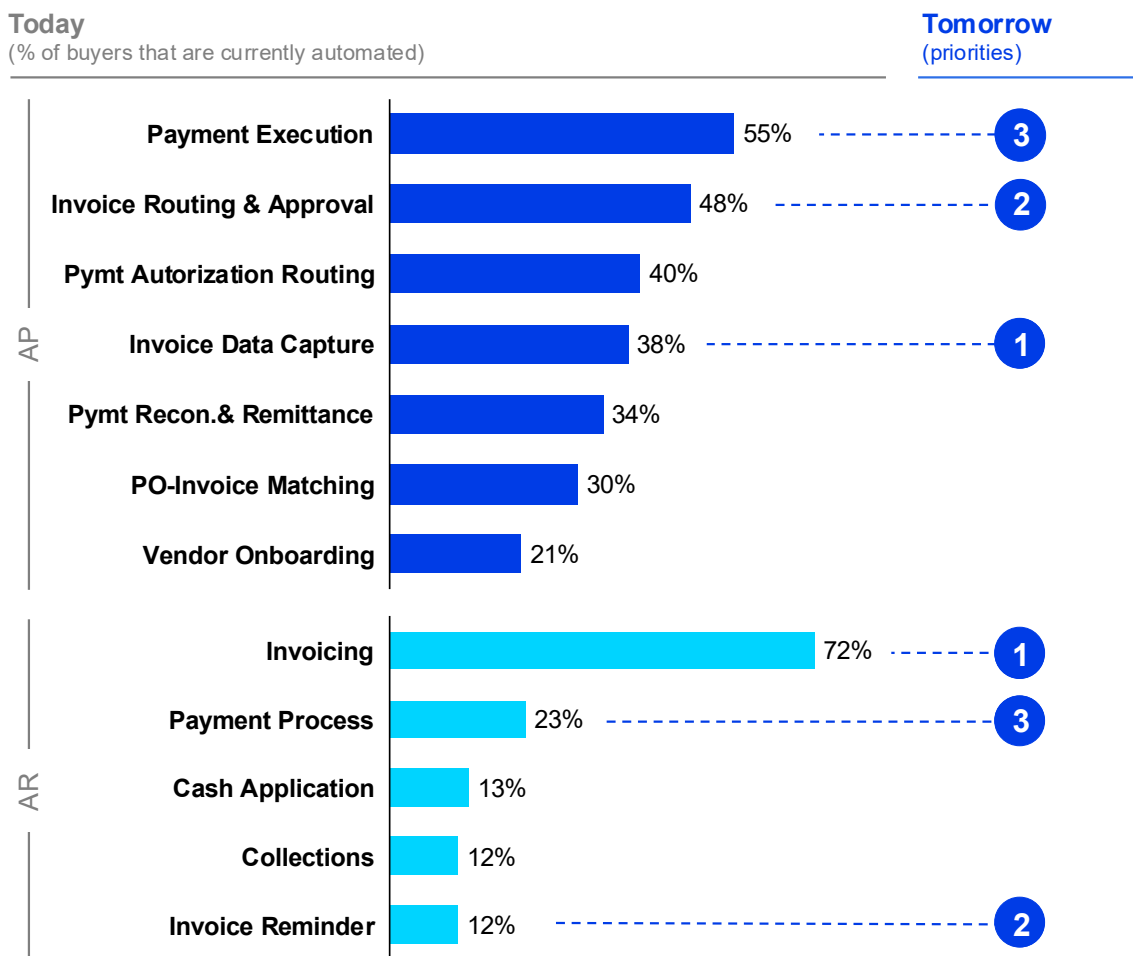


While the C2B (consumer-to-business) transaction flow differs materially from B2B, corporate buyers increasingly expect consumer-like experiences including digital-native, seamless user interfaces and flexible terms (e.g., buy-now, pay-later). Meanwhile, suppliers are under pressure to reduce days sales outstanding (DSO), manage disputes efficiently and retain key accounts.

Fintechs are working to solve the many pain points of B2B commerce and the AR (accounts receivable, also referred to as order-to-cash) and AP (accounts payable, also referred to as source-to-settle, procure-to-pay) process, as discussed in our previous [insight](#). However, we are still in the early days of adoption, with automation penetration still relatively low. MineralTree's 2025 B2B survey found that only 19% of businesses had fully automated their AP workflows. However, 80% of buyers planned for some type of AP automation in the future (other insights from this survey can be found in Figure 2). A BillingPlatform AR survey found that only 23.1% have fully or mostly automated their AR process with 46% rating AR automation as high priority and on the roadmap.

Figure 2: Current and Future State of AP and AR Automation

(AP: 2024, n=1017 finance professionals; AR: 2025, n=104 finance leaders)

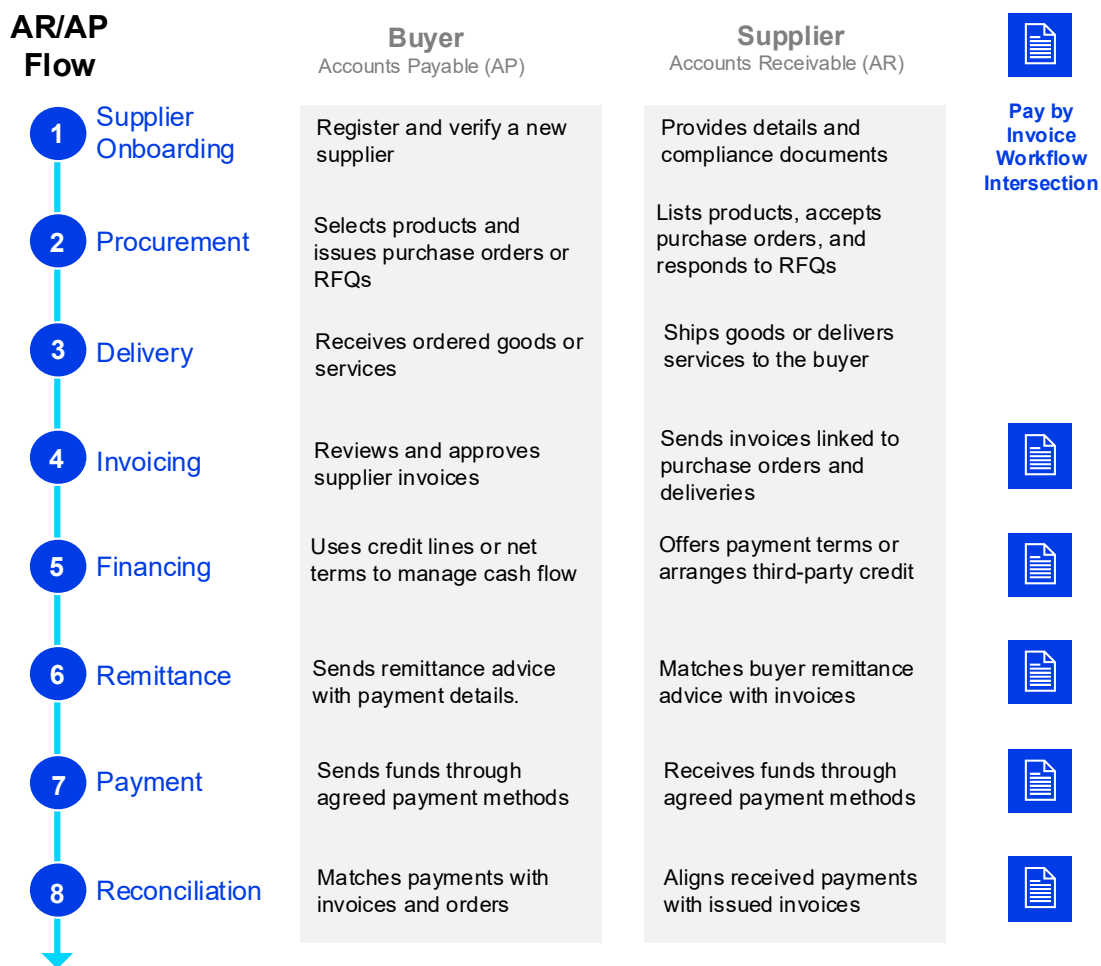


Source: 9th Annual State of AP Report by MineralTree, BillingPlatform State of AR Automation Report © Flagship Advisory Partners 2025



The AR/AP workflow consists of 8 steps from onboarding and procurement to invoice, payment, and reconciliation, as illustrated in Figure 3. Each stage presents friction, with buyers and suppliers exchanging information, funds, and approvals in ways that consume time and introduce risk (e.g., credit and delivery risk). As businesses look to streamline these interactions, **B2B Pay by Invoice** (i.e. also referred to as net terms, trade credit) is one such tool to simplify the process for buyers and suppliers. By consolidating parts of the workflow into a single, credit-backed transaction, B2B Pay by Invoice reduces operational complexity and helps create a foundation for future automation across the full AR/AP workflow.

Figure 3: B2B Workflow and B2B Pay by Invoice



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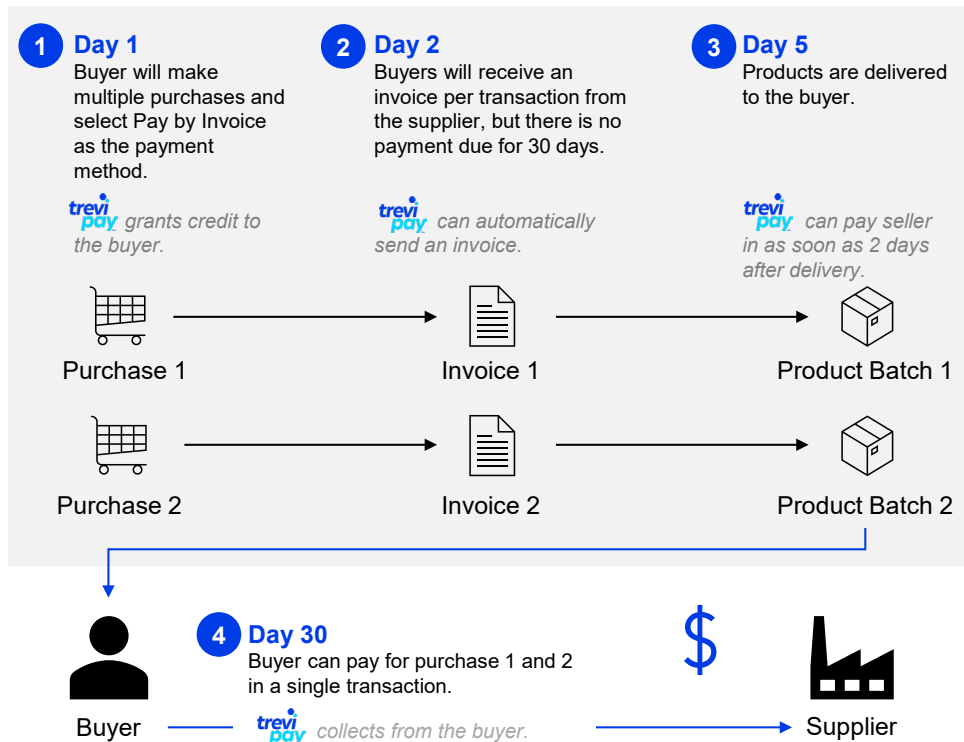


B2B Pay by Invoice (also known as net terms or trade credit) enables flexible financing between the buyer and supplier. This enables corporate buyers to have a line of credit for a certain number of days (most common is 30-day). According to [TreviPay's 2023 Survey](#), 61% of buyers use trade credit or net terms as their leading way to pay. B2B pay by invoice delivers measurable advantages for both buyers and suppliers: faster conversion, reduced DSO and stronger long-term relationships.

Crucially, pay by invoice doesn't only streamline payments, but initiates a flywheel of automation. By digitizing core components such as onboarding, credit decisioning, invoice standardization and reconciliation, it generates the structured data necessary for smarter automation and AI. Over time, this "automation flywheel" compounds efficiency: simplified workflows create cleaner data, which enables more automation, which in turn accelerates cash flow and reduces buyer and supplier friction.

In this article, we explore how B2B Pay by Invoice is part of a modern B2B commerce experience and examine the value to buyers and suppliers across verticals.

Figure 4: Illustrative Example of B2B Pay by Invoice (30 days)
(net 30 days example)



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From Pain Points to Transformation

As previously mentioned, the AR/AP workflow is complex with multiple interactions and points of potential friction across data exchange, fund movement, approvals, etc. Today, the process has many pain points, with some of the most prominent including:



- **Managing Buyer and Supplier Relationships:** Difficulty maintaining accurate business details and preferences (e.g., bank account changes and accepted payment methods), leading to potential disruptions
- **Manual Data Entry and Errors:** Reliance on manual entry for invoices, remittance details and reconciliations increases the risk of inaccuracies
- **Limited Payment Visibility:** Delayed or incomplete payment status information complicates cash flow planning and reconciliation efforts
- **Payment Delays:** Outstanding invoices and unresolved issues often result in late payments or financial write-offs
- **Time-Consuming Dispute Resolution:** Errors in invoicing or reconciliation can trigger disputes, delaying cash flow further and straining buyer–supplier relationships
- **Inflexible Credit Lines:** Lack of buyer pre-qualifying/credit check tooling alongside manual underwriting and static limits

Several macro trends and structural shifts are transforming B2B commerce and addressing the pain points. Figure 5 highlights these developments, including how prominent the trend is in the U.S. vs. the E.U./U.K. These trends/shifts fall into two primary categories: behavioral (e.g., user preference) and backoffice (e.g., regulatory demand and reporting requirements).



Figure 5: Macro Trends & Structural Shifts Impacting B2B Pain Points
(non-exhaustive, darker color = more prominent trend in the region)

Legend: Digitization Impact High Low

Macro Trend / Structural Shift:		 U.S.	 E.U./U.K.
Behavioral	“Consumerized” B2B UX and Self-Service Onboarding		
	Embedded Finance in B2B Software		
	Shift from Paper Checks to Digital Rails (A2A, Card, etc.)		
	Corporate Buyer Portals (maturing)		
	Digitized B2B Pay by Invoice (Trade Credit)		
Backoffice	AI-Driven AR/AP Workflow Automation		
	Payment Visibility & Reconciliation Tools		
	E-Invoicing Adoption & Mandates (e.g., ViDA timeline)		
	Procurement System Integrations & Interoperability		
	Data Standardization & Reporting Expectations		

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Behavioral Shifts

Corporate buyers increasingly expect consumer-like, Amazon- and Shopify-style experiences from instant digital onboarding and self-service portals to e-invoicing, flexible payment terms, and seamless digital checkouts. Additionally, as embedded finance (integrated payment functionalities within commerce software and ERPs) becomes standard in consumer commerce, B2B is quickly following suit.

Behavioral trends are more pronounced in the U.S. than the E.U./U.K., with trends like paper check cannibalization and digital B2B Pay by Invoice (illustrated further in the next section) chief among them. In the U.S., checks still account for more than 35% of B2B payment volume compared to less than 1% of B2B payment volume in the E.U./U.K.



Backoffice (Regulatory & Reporting) Shifts

Governments and regulators (specifically in the E.U./U.K) are accelerating digitization and, consequently, reducing manual pain points by mandating structural changes to payments and invoicing. However, each member is progressing at its own pace, using different e-invoicing frameworks and timelines. For example, Italy and France have already implemented or announced mandatory e-invoicing for domestic transactions, while Germany and Spain are phasing in requirements through 2026–2028. Other countries such as the Netherlands and the Nordics still rely largely on voluntary or B2G-only systems.

This fragmented rollout has created a patchwork of local rules, formats, and reporting infrastructures, which complicates cross-border B2B trade and compliance for multinational firms. The E.U.'s VAT in the Digital Age (ViDA) initiative seeks to standardize these efforts and drive full interoperability across borders through the following milestones:

- **2025:** Introduce mandatory e-invoicing for domestic B2B and B2C transactions
- **July 1, 2030:** E-invoices will be the default system for the issuance of invoices and mandated for intra-E.U. B2B transactions
- **Jan 1, 2035:** Harmonization of domestic e-invoicing systems implemented before 2024 with E.U. standards

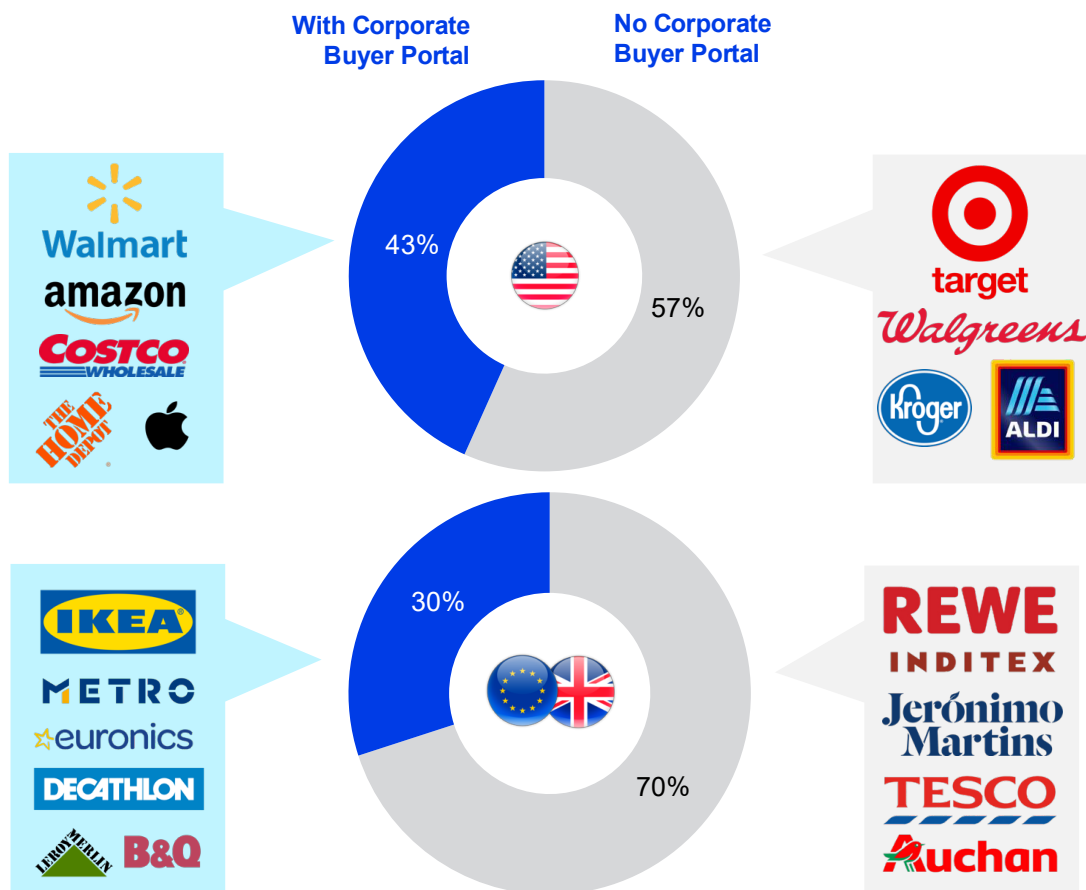
Meanwhile, a global backoffice push for greater reporting and data standardization via AI-powered business management software is further reducing pain points around manual data entry, errors and reconciliation.

Observed Adoption of Corporate Buyer Programs in Global Retailers

Flagship utilized public data to analyze the NRF Top-30 U.S. retailers and Top-20 E.U./U.K. retailers and assess their current offerings for corporate buyers. Corporate buyer programs are becoming increasingly prevalent, though their maturity levels widely vary. Some retailers have developed sophisticated, tailored solutions for business customers, while others continue to treat corporate buyers much like consumers, overlooking the demand for AR/AP workflows and the nuances that they introduce.

While some corporate buyer programs may exist but are not publicly marketed, others are wrapped into a buyer portal, where several tools/resources are accessible. Our research found that only 43% of the NRF Top-30 retailers in the U.S. and 30% of the NRF Top-20 retailers in the E.U./U.K enable corporate buyer portals (Figure 6).

Figure 6: Top U.S. and E.U./U.K. Retailers with Corporate Buyer Portals
(% of top 30 U.S. retailers and top 20 E.U./U.K. retailers that have a publicly marketed corporate buyer portal)



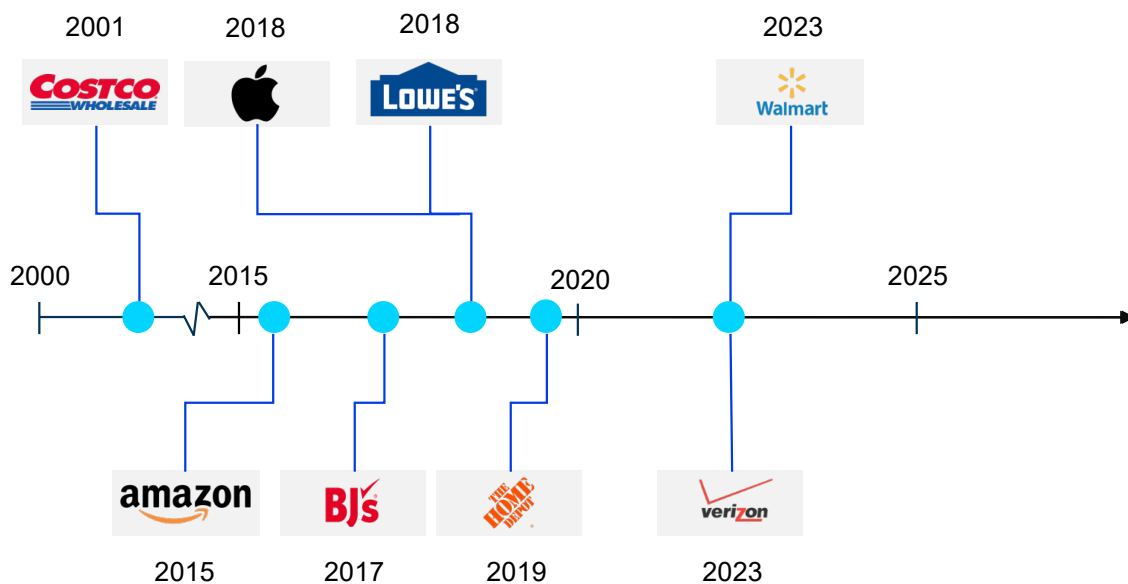
Source: Flagship Advisory, Partners Company Websites and Press Releases
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Although the concept of serving business customers is not new, retailers have historically accommodated B2B purchases through relationship-based, non-standardized arrangements. For instance, W.W. Grainger, an industrial-supply distributor to businesses, assigns account managers, enables customized invoicing and shipping terms, and provides bespoke inventory-management solutions for larger clients. While effective, this type of relationship-based buyer enablement is not possible across a wide network of business buyers. Simply put, formal corporate buyer programs accessible to the broader market were uncommon.

Over the past decade, however, adoption has gained momentum. As shown in Figure 7, several retailers introduced formal corporate buyer programs/portals in the last decade that make it easy for businesses to enroll. This shift reflects a growing recognition of B2B as a strategic growth channel, characterized by larger basket sizes (vs. C2B) and sometimes more recurring purchase patterns.

Figure 7: Timeline of Corporate Buyer Portal Launches



Source: Flagship Advisory Partners, Company Websites and Press Releases
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Adoption of corporate buyer portals also varies significantly by vertical and business size. Verticals such as home improvement, technology, automotive and furniture show higher adoption, as these categories are more naturally aligned with B2B purchasing needs. For instance, contractors frequently source materials from Home Depot, Lowe's or Leroy Merlin. By contrast, department stores and grocery chains are inherently consumer-focused and therefore less likely to provide corporate programs, though some of the largest retailers, including Walmart, Amazon, Costco and Decathlon, stand out as exceptions. Despite their consumer orientation, these retailers often deliver some of the most advanced corporate buyer programs.

An advanced corporate buyer program is distinguished by a deep understanding of business customer needs, offering features such as:

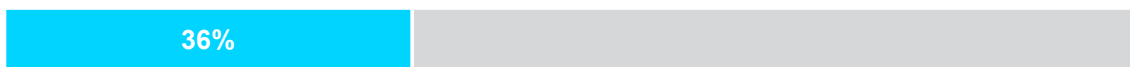
- **Custom Pricing:** Business-only pricing tiers and bulk discounts
- **Multiple Payment Methods:** Flexible payment options, including credit cards, ACH, BNPL, virtual cards, pay-by-invoice or net terms
- **Procurement Controls:** Guided buying, approval workflows, multi-user roles, buyer hierarchy and administrative spend management
- **Quote, Invoice & Reporting Tools:** Centralized quote dashboards, analytics with order history and reconciliation reports
- **Procurement System Integrations:** Direct integrations into platforms like Coupa, SAP Ariba and other enterprise procurement system



Figure 8: Global Corporate Buyer Portal Capabilities

Retailers that have Corporate Buyer Portals

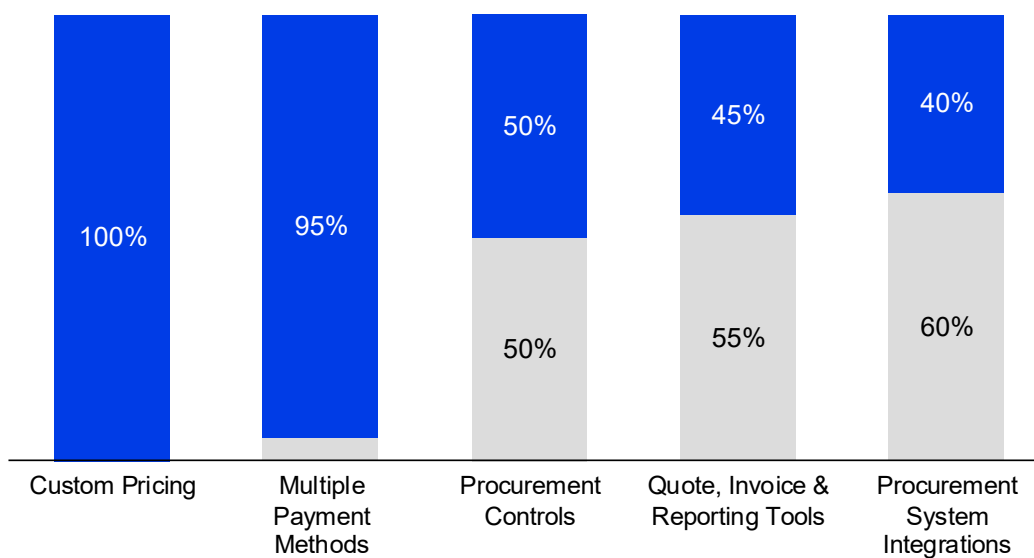
(% of retailers surveyed, n=50, NRFs top 30 U.S. retailers and top 20 E.U./U.K. retailers)



Corporate Buyer Portal Features

(% of retailers that have a corporate buyer portal, n=18)

Yes No



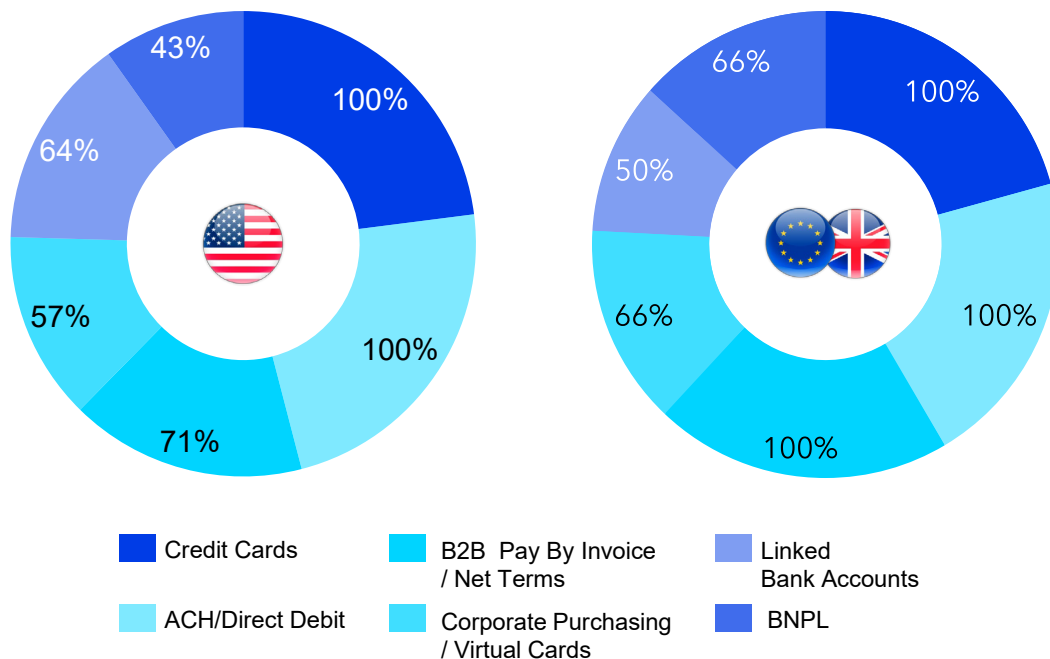
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As shown in Figure 8 above, some features are table stakes, while others serve as differentiating add-ons. Core functions like custom pricing and multiple payment methods are broadly offered across corporate buyer portals, but advanced features such as procurement controls, quote, invoice & reporting tools, and procurement system integrations remain limited. This gap underscores how many retailers are only covering the basics, with true differentiation emerging when portals support deeper procurement and automation needs.

While virtually all corporate buyer programs support multiple payment methods, the breadth of options can vary considerably. Acceptance of credit cards, ACH, and virtual cards is generally standard, but more flexible arrangements, such as BNPL or B2B Pay by Invoice, are often missing. These features are especially important in B2B commerce, where transactions involve larger basket sizes and longer cash flow cycles. In practice, many retailers address this gap through strategic account relationships that offer bespoke versions of net terms. Based on our research, EU/UK retailers with a corporate buyer portal (6 of 20 studied) are more advanced when it comes to offering B2B Pay By Invoice (Figure 9).

Figure 9: Most Prevalent Payment Methods for Corporate Buyer Portals
 (% of retailers that have corporate buyer portals, n=14 U.S., n=6 E.U./U.K.)




Source: Flagship Advisory Partners
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Case Studies: Early Adopters Leading the Way

75% of the largest U.S. and E.U./U.K. retailers with corporate buyer portals currently offer B2B pay by invoice as a payment method. Early adopters such as Amazon Business and Best Buy helped set the standard. Best Buy was among the first movers, introducing its program in 2009 calling it “Best Buy Business Advantage” for their net 30 terms corporate purchasing program (powered by TreviPay). In 2015, Amazon Business followed, rolling out a “Pay by Invoice,” a standard 30-day payment term to a select group of approved business customers (powered by Amazon). Most recently, Walmart announced the launch of its “Pay by Invoice” program for Walmart Business (powered by TreviPay).

Figure 10: Amazon and Best Buy Case Studies



Amazon Business launched its B2B pay by invoice program in 2018 allowing buy now and pay later with no interest or fees with 30-day payment terms.

AMAZON BUSINESS

Pay by Invoice

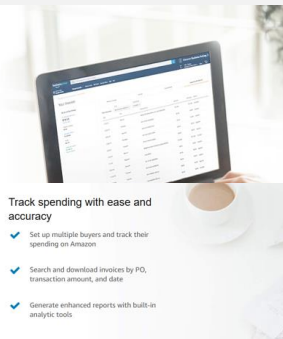
Buy now and pay later at Amazon Business with no upfront interest or fees

With 30-day payment terms* and on-demand itemized digital invoices, Pay by Invoice gives your business more flexibility and control. 30 days not enough? Extend payment even longer with an eligible Business Prime membership plan.

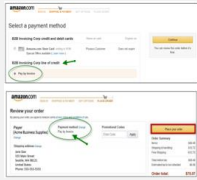
Your account is assessed for a Pay by Invoice credit line upon approval for an Amazon Business account. If you're the admin and are approved for Pay by Invoice, you'll receive an email to activate the credit line, which remains open for a limited time. The credit line will be closed if you choose not to activate it.


If you have questions, contact Business Accounts Help & Customer Service.

*Subject to credit approval



- 1 Create an Amazon Business account and undergo eligibility check.
- 2 Receive invite and activate Pay by Invoice within 180 days
- 3 Add items to cart and choose Pay by Invoice at checkout
- 4 Pay your invoices via ACH, wire transfer or check before 30 days (can support more than 30 days)





Best Buy launched its net terms financing product; Best Buy Business Advantage card offering “flexible corporate purchasing program with net 30 terms”.

BEST BUY Business

Best Buy Business Financing

Already have a business account? [Sign In](#)


Best Buy Business Financing

To apply for our business financing options, you must first register for a free online Best Buy Business account.

[Sign Up For A Business Account](#)

Benefits include:

- Large assortment of business products
- Volume purchasing and free shipping*
- Business financing options
- Help from an expert when you need it



Net terms financing

For business owners using working capital for each purchase, the Best Buy Business Advantage card offers a flexible corporate purchasing program with net 30 terms, accommodating multiple buyers under one account.

[Learn More](#)

- 1 Create or log in to a Best Buy Business account and apply for credit approval
- 2 Get approved for trade credit/ paying terms
- 3 Purchase on BestBuy.com using the physical card or account number
- 4 Pay for the purchase within 30 days

Source: Company Websites and Press Releases
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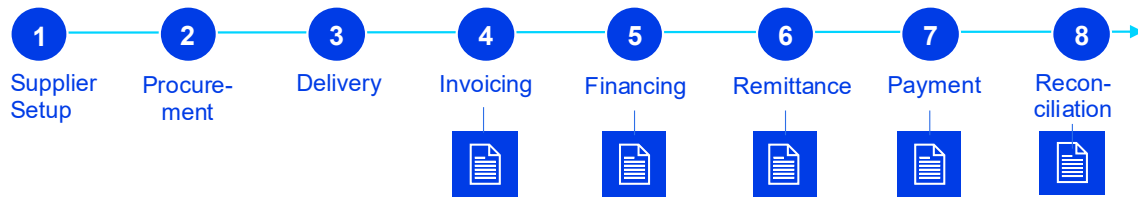
Buyer and Seller Benefits of B2B Pay by Invoice (and the Automation Flywheel)

The role of B2B Pay by Invoice for buyers and sellers can vary by sector. For example, in retail, it increasingly drives loyalty and higher average order values (AOV) among corporate buyers, with leaders pairing flexible terms with streamlined procurement experiences. Wholesalers, on the other hand, have long treated net terms as table stakes (often managed off-portal) but are formalizing them digitally to deepen contractor relationships and reduce DSO at scale.

Across industries, the buyer value proposition is consistent: SMBs gain working-capital flexibility by using net terms as a financing tool, while large enterprises consolidate many purchases into a single monthly payment, simplifying approvals and reconciliation. For sellers, credit-based purchasing lifts conversion and basket size while signaling trust that strengthens long-term relationships. Net-net: Pay by Invoice enables larger AOV, faster cash collection via lower DSO, less friction across the O2C (order-to-cash) cycle and tighter buyer-supplier bonds.

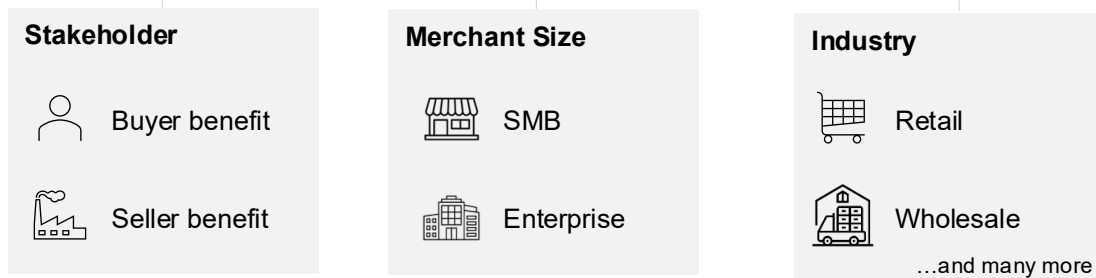


Figure 11: Benefits of B2B Pay by Invoice



Benefits of B2B Pay by Invoice

- **Larger average order values (AOV):** Buyers spend more when credit is available
- **Faster cash collection:** Automation and third-party financing reduce Days Sales Outstanding (DSO)
- **Less friction in the O2C cycle:** Streamlined invoicing, payment, and reconciliation processes
- **Stronger buyer-supplier relationships:** Flexible terms build trust and loyalty



Source: Flagship Advisory Partners
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Coincidentally, the very implementation requirements of a fully digital B2B Pay by Invoice solution (e.g., digital onboarding, identity and business verification, credit decisioning, invoice standardization, electronic payment and remittance capture and cash-application tooling) lay the groundwork for automation and AI. In practice, this foundation unlocks:

- Instant credit decisioning (leveraging external data and buyer history)
- Predictive collections (automated reminders, behavior insights)
- Dispute resolution and reconciliation at scale

The result is a compounding automation flywheel. Pay by Invoice simplifies data and payment flows, which also enables smarter automation and further reduces friction and DSO, ultimately benefiting both buyers and sellers.

AR/AP Workflow Maturity Model and Checklist

While few firms will achieve fully autonomous AR/AP workflows overnight, B2B Pay by Invoice offers one of many practical on-ramps for corporate buyer programs and experiences to mature.

At Flagship, we observe corporate buyer programs evolving through six stages of maturity, moving from manual processes to fully automated, AI-enabled AP workflows:

STAGE	DETAILS
Stage 0: Analog & Ad-Hoc (pre-digital)	Paper invoices, checks dominant; email/phone approvals; no buyer portal
Stage 1: Basic Digitization (e-invoicing & e-payment start)	PDFs/e-invoices, ACH/EFT/SEPA acceptance, basic remittance capture; batch reconciliation
Stage 2: Corporate Buyer Access (corporate buyer portal & controls)	Corporate buyer portals with self-serve onboarding, buyer roles/limits enabled with guided buying and a clear (albeit often manual) order to invoice workflow (e.g., TreviPay)
Stage 3: Embedded B2B Pay by Invoice (net terms at scale)	Standardized B2B pay by invoice / net terms in checkout and account flows with consolidated monthly invoicing and repeatable credit operations (e.g., TreviPay)
Stage 4: ERP/Procurement-Integrated Workflows (embedded CFO SaaS and finance)	Native e-invoicing network connectivity and PEPPOL/clearance where needed; ERP (e.g., SAP, NetSuite, Microsoft Dynamics), AR (e.g., TreviPay, Billtrust, HighRadius) and/or AP/procurement systems (e.g., Coupa, Basware, Ariba) integrated end-to-end
Stage 5: AI-Augmented AR/AP (automation flywheel)	AI-enhanced/assisted workflow tools (e.g., faster credit decisioning, predictive collections, dispute classification, high-accuracy cash application) using structured invoice/remittance data



Our research on leading U.S. and E.U./U.K retailers shows that B2B Pay by Invoice can appear as early as Stage 1-2, though often through one-off arrangements with trusted corporate clients. By Stage 3, it typically becomes a standard option, formalizing the offer and setting the data groundwork for later automation.

Regardless of size, whether SMB or enterprise, businesses should ask themselves: Am I ready to deliver a corporate buyer program that meets today's expectations both externally and internally? More specifically:

- ✓ **B2B Buyer Understanding:** Do we clearly understand our corporate buyer expectations, approval paths and required controls?
- ✓ **Systems Integration:** Are the necessary systems, teams and integrations in place to support a corporate buyer program?
- ✓ **B2B Payment Acceptance:** Do we offer the right breadth of payment acceptance options, including B2B Pay by Invoice / net terms, supported by credit policies, KYB/ KYC, and the tools to manage invoicing and cash application effectively?
- ✓ **Automation signals:** Are we capturing clean invoice/remittance data, event streams, and feedback loops to fuel automation and AI models for credit decisioning and collections?
- ✓ **Roadmap KPIs:** Are our key KPIs trending in the right direction (e.g., higher AOV, lower DSO, etc.), and overall levels of automated collections and dispute handling growing?
- ✓ **Compliance Readiness:** Are we ready for compliance requirements, with country-level e-invoicing mapped, PEPPOL connectivity where applicable and ViDA-style reporting readiness?

Conclusion

Corporate buyers' expectations are accelerating, with leaders embedding B2B Pay by Invoice into broader automation journeys. Companies like TreviPay are uniquely positioned to deliver instant credit decisioning, embedded net terms and AR automation across industries, helping sellers leapfrog to the forefront of B2B commerce.

This article was sponsored by TreviPay.

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