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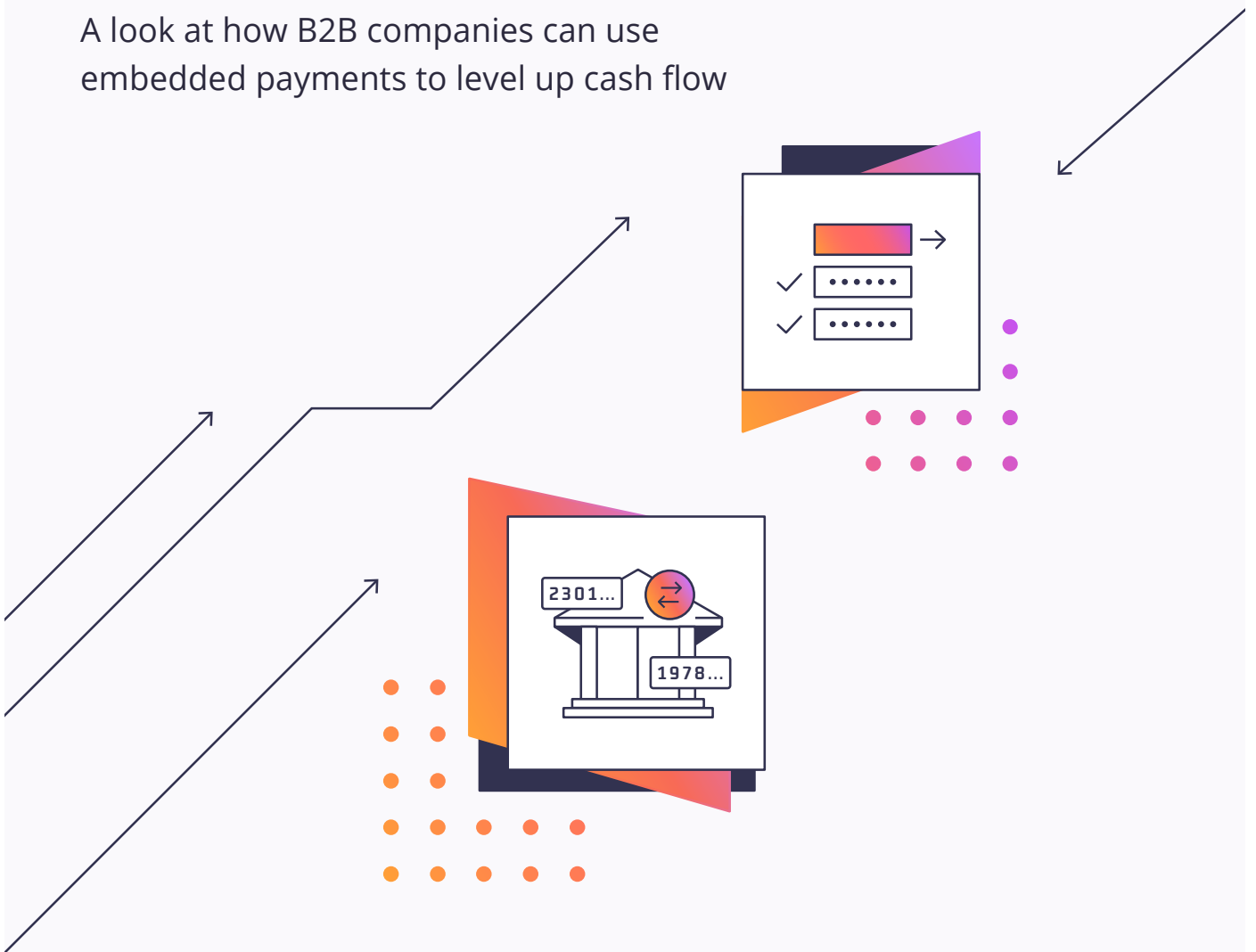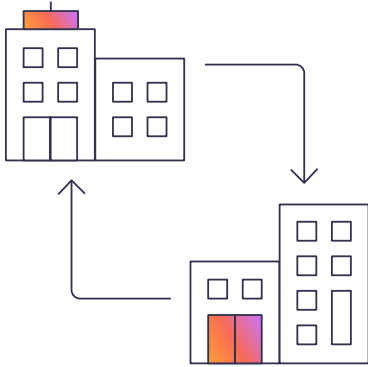
Embedded Payments

A look at how B2B companies can use embedded payments to level up cash flow

What's so unique about B2Bs?

When it comes to accepting payments, **B2B companies** have specific challenges that set them apart from their B2C counterparts. These challenges can hinder growth while also constraining the business with burdensome workflows, transaction reviews and fees.

Complex payment processes

The B2B payment process is complex. It involves multiple stakeholders across multiple departments, it can take an average of 28 to 45 days to finish, and it usually requires approvals from one or more people (with an approval process that is already a lengthy and complex process itself). These delays greatly impact a B2B's ability to accurately forecast and meet financial obligations, while also limiting its access to cash. And any delays to payment processing can disrupt operations, strain relationships, and greatly hinder the overall efficiency of the business.

Too many platforms with limited integrations

All too often, B2B companies have a number of systems they use. In a survey conducted by Blissfully, a SaaS management platform, they found that small to medium-sized businesses use an average of 20-30 different solutions ranging from CRMs, ERPs, accounting and finance software, project management, tools, marketing automation software, collaboration tools, and more. And more often than not, these solutions are not connected to the B2B's payment solution.

Reconciliation errors

When your main business systems aren't connected to your payment acceptance solution, this means that reconciling payments with invoices, orders, accounts receivable, etc. becomes not only a time-consuming process, but one that is prone to human error, as the business must rely on data downloads, uploads, and manual entries. The risk of errors has an even greater impact to B2B companies that are often held to specific compliance and auditing requirements.
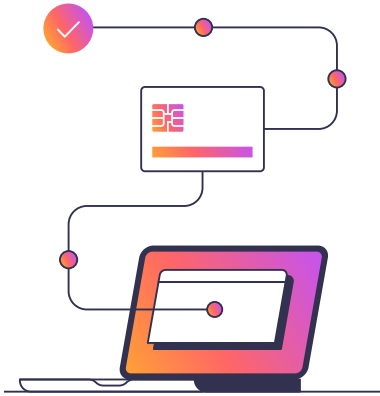
A look at embedded payments

Flexible and secure payments are obviously crucial to a successful B2B, but they really are just the beginning. The B2B payment challenges outlined here illustrate how vital it is that B2B companies also look for payment solutions that help increase access to cash, reduce processing times, **automate workflows,** and more.

But with too many platforms already being a top concern for B2Bs, who wants to add yet another system to the already long list?

That's where embedded payments come in.

What are embedded payments?

In its simplest form, embedded payments are the integration of payment acceptance from within non-finance-related software or applications. When a company embeds the payment process, they control the full customer experience. Gone are the days of being directed to another site to make your payment. Successful companies understand the value of a fully branded, uninterrupted payment experience for their customers, who in turn, appreciate the ability to pay quickly and easily without bouncing around to multiple sites.

According to McKinsey, the embedded finance market is poised to reach $3.6 trillion by 2030, illustrating the immense potential and adoption opportunities. Indeed, embedded payments are found everywhere–from rideshare apps, to booking apps, to shopping carts, and more.

But those are all focused primarily on a B2C user experience. What about B2B companies that have those unique challenges we've already covered?

Enter embedded ERP payments.

How embedding payments within an ERP helps B2B companies level up

As the Blissfully survey results show, when a B2B company has a new need, many opt to simply add yet another solution to their arsenal, and this includes accepting payments. And there are often valid reasons for this, ranging from budget allocations, to time concerns, to resource constraints. But given an alternative, doesn't accepting payments directly from a system you and your team use day in, day out, seem like a no-brainer?

We think so. And for B2B companies using an ERP to manage their business, accepting payments from within that ERP eliminates the need for more processes and extra systems, while also providing other vital benefits for the company.

What advantages do B2B companies gain by embedding payments in their ERP?

STREAMLINED PAYMENTS

As already touched on, with embedded ERP payments, B2B companies can now process payments directly from the system they already use day in, day out. They can send invoices, get paid, and manage and view their business processes, including payments, without leaving their ERP.

- Companies that integrate payments with ERP systems, achieve an average ROI of 200% and payback period of 8 months.[1]

200% average ROI over 8 months

[1] Nucleus Research

25% reduction in error rates

21% reduction in order-to-cash time

92% of businesses scale better

IMPROVED ACCURACY

With payments seamlessly integrated to their ERP, B2B companies can easily review and track orders and be confident that their transaction processing is accurate – after all, the customer payment data is updated directly in the general ledger (GL). Gone are those reconciliation errors that stemmed from importing payment records!

- Businesses using integrated payment solutions achieve a 25% reduction in error rates and invoice discrepancies.[2]

BETTER VISIBILITY

With payments processed directly from within their ERP, B2B companies gain real-time visibility into what orders have been paid and which ones haven't. This enhanced visibility not only helps the company better follow-up on late payments, but it gives them better insights into cash flow. And better access to cash means more opportunities for business growth.

- Businesses that integrate payments with ERP systems experience a 21% reduction in order-to-cash time.[3]

SCALABILITY

As a business grows, it needs systems that scale. As most ERPs are designed to do exactly that, embedded payments provide assurance that your business can accommodate increased transaction volumes, handle more complex payment needs, and support expansion into new markets and channels.

- 92% of businesses cite scalability as a key benefit of embedding payments with ERP systems.[4]

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[2] PayStream Advisors
[3] Aberdeen Group
[4] TechValidate

25% less processing time & 20% better in operational efficiency

INCREASED EFFICIENCY

Embedding payments in an ERP also means more automation options. And when you automate more workflows, such as your accounts receivable processes, you'll see a decrease in manual steps and human errors, and an increase in time and cost savings–all of which translates to increased efficiency.

- Businesses using integrated payment solutions experience a 25% reduction in processing time and a 20% increase in operational efficiency.[5]

Explore your embedded payment options now

Whether it's increased visibility and access to cash, improved process accuracy and efficiency, or new automation options, businesses that embed payment processing into their ERP stand to be more successful than those who don't. Explore your options today and see what payment platforms, like PayTrace, work with your ERP system.

Connect with our B2B payment experts to get started.

[5] PYMNTS

PayTrace®

The B2B payment experts, PayTrace specializes in payment automation and credit card processing, making accepting secure payments affordable and easy. They provide solutions for accounts receivable, interchange optimization, surcharging, and more, all built on the solid foundation of a B2B payment gateway that's trusted by 40,000 merchant businesses. With 20 years of experience, PayTrace helps you provide your customers with the payment experience that works best for them. You can accept payments online, within ERP systems, through integrated solutions, in person or on the go.