

# The Small and Medium Business Guide to Buying

Optimizing purchasing to save

amazon business



## Introduction

It's no surprise that buying for business looks different in 2021 than it has in years past. The strategic plan leaders may have dusted off each year and simply refreshed is insufficient. Small- and medium-sized businesses (SMBs) now face balancing the ongoing short-term response to supply chain challenges with long-term strategic objectives.

*How can purchasing teams meet today's sourcing demands to keep organizations moving forward?*

*What can organizations do to manage supply chain disruption and plan for the long-term?*

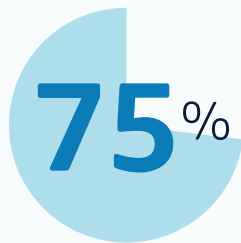


Despite lingering questions across organizations and constraints on purchasing, both from heightened cost savings goals and a continued sense of general uncertainty, we can expect **a few key objectives in the years ahead.**

# Top procurement initiatives for SMBs

## Managing supply continuity

As organizations adapt to new, decentralized work environments, buying for business looks different. Purchasing effectively enables an organization to continue its operations in a more meaningful way, whether it's making new shipping considerations or equipping teams with new technology. As organizations navigate through periods of business uncertainty, purchasing takes the lead in supply chain risk management. Vendor terms, shipping considerations, and supply demands bring added complexity and risks to purchasing operations. To reduce complexity, organizations may look to consolidate or reduce the number of suppliers. Purchasing from a single source that offers multiple suppliers may minimize risks while saving time.

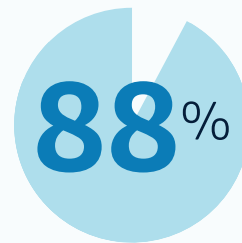


**75%** of small business owners are experiencing higher supply costs in Q4 2021, a 5% increase from the previous quarter.

*Source: CNBC Momentive Small Business Index Q4 2021*

## Accelerating sourcing

Operational disruptions and supply shortages have buyers looking for new suppliers, but they have less time for complicated contracts and negotiations. Purchasing must drive operational efficiencies while meeting increased demand. Prioritizing only cost reduction and risk management may create tension with the desire for speed of supply. If faced with harsh realities of smaller teams or budgets, purchasing resources will need to be deployed more strategically. Buyers can't get lost in the minutia of sourcing low value items, managing a growing list of suppliers, and undergoing a lengthy, manual approval process. Instead of discovering new suppliers through traditional means, one can more easily access millions of sellers through a single source using B2B e-commerce tools.

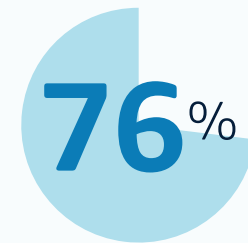


**88%** of SMBs are experiencing some type of supply chain challenge.

*Source: CNBC Momentive Small Business Index Q4 2021*

## Optimizing costs

Organization leaders play a key role in enabling the cost optimization agenda beyond managing suppliers. Cost cutting and short-term reductions can impair an organization's agility, compromise performance, and affect strategic focus. Now is the time for purchasing teams to think beyond price concessions to broader changes that reduce spend while delivering true value. Consider options to get more with your money, such as exclusive pricing, buying sources that offer flexible payment methods, and cost-effective shipping options. Identify more opportunities to save by monitoring your organization's purchasing patterns to make better informed decisions. Purchasing can demonstrate where they're saving time and reducing costs through supplier optimization and consolidation. By simplifying buying, they can identify more ways to save both time and money.



**76%** of small and mid-sized businesses experienced an increase in the price of goods over the past 12 months.

*Source: Umpqua Bank 2021 Business Barometer*

## Rethink what's possible for procurement

Adapting to our changed reality presents new ways to effectively meet the moment—and position purchasing to accelerate your organization's growth. By using digital purchasing tools and features, you can **save time and money** while empowering employees to get what they need.

The strongest, most agile leaders are **reshaping how their organizations buy.**

Get the visibility you need to make better buying decisions, adapt to new work environments that drive productivity, and simplify purchasing for greater agility.

### Your Guide to Buying

1. Manage and accelerate purchasing
2. Simplify buying
3. Drive efficiencies with data
4. Demonstrate ROI and responsible purchasing
5. Get more with your money



## 1. Manage and accelerate purchasing

Responsive, not reactive, strategies set up your organization to be more resilient and prepared for future challenges. Supply chain disruption has increased time spent searching for the right supplies and managing organizational purchases. A growing list of suppliers is difficult makes management difficult for administrators, and can cause ambiguity among employees on how and where they should purchase, resulting in unapproved spend.

Organizations can get strategic with supplier optimization and reduce costs by shopping once centralized source of trusted suppliers. An intuitive shopping experience can help onboard users quickly, where increased adoption brings buyers within purchasing guardrails set up by the organization. And, when your team can find everything they need, all in one place, they can get back to what's most critical for your organization.

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**MASON**

As a growing startup company, we have run into a number of pain points as we continue to expand. One of the most pressing was a rapidly growing vendor list, resulting in increased employee spending and visibility reduced with more transactions taking place.

We worked with Amazon Business to set up a solution in a matter of days that created immediate time and cost savings for our team. We set up an approval workflow so that managers could review and approve employee spending, and consolidated all purchases on a single invoice, reducing multiple transactions to deal with to one.

— Adam Cohen, Senior Manager of Finance & Accounting,

Mason”

## 2. Simplify Buying

To keep your organization running, it's critical that you get the supplies you need fast, and at competitive prices. Unpredictable fulfillment and delivery hinders supply continuity and employee productivity. Look to reduce the time spent identifying and negotiating supplies with numerous suppliers to free up time to grow your organization.

Digital purchasing tools enable organizations to simplify buying—saving time and reducing costs. Streamline how your organization purchases with purchasing guidelines and workflows can help manage buyers and track spending. Internal stakeholders demand a purchasing environment like what they have with Amazon at home, but built for work. Employee expectations for simplification and speed don't have to mean a tradeoff for the visibility and control procurement leaders need to meet the financial demands and expectations of their organization.



Amazon Business does a fantastic job of showing us where our big savings are and how to maximize them.

— Chris Tiesman, Chief Financial Officer, **CSAT Solutions**



Consider demonstrating **buyer efficiency gains** and **time savings** from digital tools or **automated processes** to leadership.

### 3. Drive efficiencies with data

Make smarter buying decisions with sourcing insights through detailed data and analytics, across categories and a broad network of suppliers. B2B e-commerce minimizes inefficiencies. Workflows reduce transactional responsibilities, enabling a focus on the overall organization—not manual processes. And moving non-contract spend to a single, online store allows you to see the complete picture for supplier analysis, cost analysis, and product selection.

Organizations without insight into their spending can't recognize opportunities to reduce costs. Better understand your employees' buying behavior using advanced analytics and dashboards. You can see who's buying what and for how much. Monitoring buying behavior and discovering patterns can help you make better decisions and establish policies to guide employee spending. With real-time data, leaders can make smarter budgeting and purchasing decisions with tools and custom reports to analyze spend data.



Amazon Business really brought visibility and security to our purchasing because we can control who has access to our business account. It's easier to see who is purchasing and under which area, and the visibility is better for accounting overall.

— Chris Edwards, Chief Executive Officer, *The Third Floor*



#### 4. Demonstrate ROI and responsible purchasing

With increased cost cutting scrutiny comes opportunity to demonstrate where purchasing drives efficiencies and cost savings. Armed with data and visibility into spend, leaders can identify areas for optimization and showcase savings.

Further, demonstrate the value purchasing brings in meeting socially responsible organizational objectives such as diversity spend or sustainable product selection. Define specific requirements for strategic sourcing—potentially inclusive of diversity, corporate social responsibility, or sustainability goals—and make it easy for buyers to find qualified suppliers.



At iTHINK Financial, our diversity reflects the communities we serve. We are committed to the goal of enhancing economic opportunities for Minority and Women-Owned Business Enterprises.

To that effect, we use Amazon Business for the ability to easily find and source from businesses with these diversity certifications through the Guided Buying feature.

— David Lyons, Chief Administrative Officer, **iThink Financial**





## 5. Get more with your money

Purchasing and finance typically prioritize savings and policy compliance—cost considerations—over convenience or ease of ordering and delivery, or value considerations. Yet we know that cost cutting and short-term reductions can impair an organization's agility, compromise performance, and affect strategic focus. Pricing volatility as a result of supply and demand dynamics impedes an organization's ability to react quickly, and disruptions increase costs of shipping and fulfillment.

Consider how your organization can get more with your money with business-only pricing and selection, flexible payment options, and cost-effective shipping options. Use analytics to track current spend and purchasing patterns so you can identify more savings opportunities.



As a fast-growing food brand, we can't afford to have our teams spend time on things that don't add value or help us grow. Today, our marketing lead is ordering our business supplies—which is an inefficient use of time and valuable resources. Amazon Business helps us spend less time restocking supplies, and more time getting the word out about Ocean's Halo.

— Robert Mock, Co-Founder and Chief Executive Officer,

**Ocean's Halo**

## Move your organization forward with Amazon Business

With this guide to buying in mind, you, and your organization, can be prepared for the year ahead. Purchasing teams played a key role in reducing costs and navigating new supply chain realities of the last year. Now, it can lead the organization in accelerating growth and meeting new strategic challenges.

Our customers are digitally transforming and need new ways to create value in the form of cost savings.

**We're ready to help you drive real results with innovative solutions.**

**We serve more than 5 million organizations worldwide including:**

*80+ of the top Fortune 100 companies*

*92 of the 100 largest U.S. hospital systems*

*Over 90 percent of the 100 most populous local governments in the U.S.*

# Solutions that fit your organization

With purchasing features and tools from Amazon Business, you're equipped to do more.

## Simplify buying

With Amazon Business, you get the familiar purchasing experience of Amazon, with features that make it easy to buy for work, so you have more time to focus on what matters most.

## Reduce costs

Get more for your money with Amazon Business. Whether you're a growing startup or established, we'll help you improve your bottom line.

## Manage purchasing

Flexible controls let you manage purchasing in ways that are unique to your organization, letting you deliver more value than ever before.

## Consolidated purchases

Purchase from thousands of suppliers all in one place and avoid wasting time finding products in catalogs, negotiating contracts, and reconciling purchases

# Driving your organization forward with Amazon Business

With the value, convenience, and features of Amazon Business, purchasing leaders are reducing costs, saving time, and meeting consumer demand while delivering an elevated user experience.

## Managing supply continuity

### Wide selection

Access hundreds of millions of products across business-relevant categories from sellers worldwide in a one-stop shopping experience.

### Buying policies

Set buying preferences, restrictions, and custom messages on specified categories, products, or suppliers with Guided Buying and Business Prime.

### Convenient delivery options

Choose how you want orders delivered. Create efficiencies with convenient shipping options.

## Accelerating sourcing

### Account management

Add multiple users, manage permissions, and create buying groups for added efficiency and visibility.

### Reorder lists

Add, organize, sort, and prioritize products that you frequently purchase with Reorder Lists. Quickly reorder products from these lists, or share lists with others.

### Automated workflows

Consolidate purchases and invoices into a digital system to reduce paperwork and the time you spend tracking workflows.

## Optimizing costs

### Savings & discounts

Compare offers from competing sellers, access exclusive prices and quantity discounts, and get free shipping options.

### Reporting & dashboards

Track your progress toward spending goals, compare spend across categories, and discover new ways to reduce costs.

### Payment options

Manage cash flow in ways that flex with your needs with tools like shared payment methods or Pay by Invoice upon approval.



## Get started today

Contact us to uncover valuable insights on your organization's buying behavior and discover where to cut costs, increase efficiency, and drive growth.





Visit us at [business.amazon.com](https://business.amazon.com) to learn more.