



white paper

# Punch-Out Slingshot Software Strategy

# Improve Your Procurement Team's Efficiency with Supplier Portal Punch-Out

## Background

In an increasingly competitive market place, many organizations are re-examining their spend management practices to positively influence their bottom line. Key to this approach is identifying opportunities to control how goods and services are procured.

With recent technological advances, the ability for procurement systems to invoke details maintained in their supplier's web-based applications is not only possible, but is becoming easier and more cost effective. The ability for a system user to "Punch-Out" to a supplier's eCommerce portal presents a number of advantages:

***Punch-Out functionality improves efficiency, increases system usability and adoption, drives purchases to existing contracts and ultimately saves money.***

- A greater percentage of purchases will be driven through existing corporate contracts. This will reduce or even eliminate maverick purchasing practices. Compliance with corporate contract conditions will also increase significantly.
- Spend control will improve based on increased visibility and alerts to configurable exception conditions.
- Through direct interface with supplier portals, sourcing cycle times are reduced
- Greater system intuitivity, functionality and ease of use will result in greater user adoption.

Slingshot Software's approach to Punch-Out has been to watch closely while the integration protocols mature, standards emerge and the cost of deployment is reduced to a point where we are certain of the technology's stability, security and integrity.

## What Is Punch-Out Functionality?

Slingshot's Punch-Out functionality integrates supplier contracts directly with our procurement applications. This enables users to access supplier contracts for products or services that reside within a supplier's website. Importantly, Punch-Out functionality eliminates the need for suppliers to send catalogs and unique price lists to buying organizations. This model is cumbersome to maintain and is exposed to a high propensity for error or discrepant pricing.

***Integrate multiple supplier systems to automate product catalog maintenance and pricing.***

To activate the process, the purchasing agent in the buying organization simply selects a product from the normal catalog that is sourced from within a supplier's web site.

Behind the scenes, Slingshot's procurement software and the selected suppliers' web sites exchange a small number of eXtensible Markup Language (XML) and HyperText Markup Language (HTML) files that make the supplier's products,

storefronts, product categories and prices available to the requestor. The next form they see is on the supplier's website.

The requestor then navigates through the supplier's web site selecting products and adding them to their shopping cart. When they complete their shopping expedition with the selected supplier, they check out. At this point they are returned to their Slingshot requisition where all details will be updated to include the products and prices selected from within the supplier's web site.

The user then proceeds to complete their Requisition within their Slingshot purchasing application. This can include other products fulfilled from internal warehouses or storerooms, purchased by product, catalog or buying lists or separate Punch-Out transactions with other suppliers. When complete, the normal electronic approval process is invoked. When the Requisition is approved, a purchase order is issued and communicated to the supplier in an XML message. This will activate the supply process, for which real-time notification of order status is supported.

To enable this functionality, Slingshot's Request and Buy modules need to be aligned with the Punch-Out configuration for the supplier, and the supplier's web site also needs to be capable of supporting Punch-Out XML and HTML file exchange.

## How Is Punch-Out Done?

### Functional Scenarios

Slingshot's Buy and Request modules support Punch-Out functionality. When a user opens a new purchase requisition, they will follow one of two functional scenarios:

- **Scenario 1:** Instead of maintaining a list of products available for ordering internally to Slingshot, the application will provide a web link to the supplier's product catalog and shopping cart.
- **Scenario 2:** Users find desired items by searching their local catalogs by commodity, supplier, or product description. When they select a Punch-Out item, the application opens a new browser window and logs them into their account at the supplier's website, where they can complete the selection and add the item to the shopping cart.

After the product selection has been completed, the contents of the shopping cart are sent back to the Slingshot application as the initial source of the requisition.

### Transaction Flow

The implementation of Punch-Out functionality within Slingshot's applications will follow the widely-adopted commerce eXtensible Markup Language (cXML) standard. According to this standard, the sequence of events in a Punch-Out transaction is described below.

- 1) Activation:** When the user clicks on a Punch-Out item, the application uses a known Uniform Resource Locator (URL) to send a Punch-Out setup request. The purpose of this request is to notify the supplier's website of the buyer's identity, and to communicate the operation to be performed.
- 2) Validation:** After the supplier's website receives a request, it sends back a response containing a URL that tells the application where to go to initiate a browsing session on the supplier's website.
- 3) Enablement:** The application opens a new browser window, which displays a session logged into an account on the supplier's website. This account can be specific to a region, a company, a department, or a user.

**4) External Shopping Cart:** The user selects items from the supplier's inventory using all the features and services provided by the supplier's website. Depending on the product or customer, these features might include the following:

- Configuration tools for building customized products. These may include computers, organic compounds, or personalized products
- Search engines for finding desired products from large catalogs
- Views of data for comparing products based on price, features or availability
- Real-time pricing, inventory, and availability checking
- Automatic tax and freight calculations based on ship-to destination, size or quantity of items

**5) Check Out:** The supplier's website calculates the total cost of the user's selections, including tax, freight and customer-specific discounts. The Slingshot user will then click the supplier's website's check-out button to send the contents of the shopping cart back to the purchase requisition within their "home" application.

At this point, the supplier has effectively provided a quote for the requested items. The supplier has not yet received a purchase order, so can not yet book the order.

If users, including approvers, later need to edit any of the items in a purchase requisition, the supplier can allow them to "re-punch-out" to the supplier's website. The application sends back the contents of the original shopping cart to the supplier's website, and users make any changes there. On checkout, the supplier's website returns the items to the purchase requisition.

The supplier's website is the information source for all Punch-Out items. Changes to the quantity or the addition of new items to the requisition might alter tax or shipping charges, which would require recalculation at the supplier's website.

As a result, any changes to the original items need to be made at the supplier's website, not in the application, therefore the need to re-punch-out.

- 6) Approval and Order:** After the contents of the shopping cart have been passed from the supplier's website to the user's Slingshot purchase requisition, the application approval processes takes over. When the purchase requisition is approved, the procurement application converts it into a purchase order and sends it back to the supplier's website for fulfillment. Purchasing card data can be transmitted along with the order, or the supplier can invoice the order separately. When the supplier acknowledges the receipt of a purchase order, the supplier is deemed to have "booked" the order.

## Technical Architecture

Slingshot is providing an implementation of the cXML client API in providing Punch-Out functionality. Our .NET framework technology is an efficient platform for building the code base for supporting the XML subset of cXML. This is required by the Punch-Out standard with its extensive support for XML as well as the transport protocol, HTTP.

The relevant .NET namespaces are System.Xml and System.Net. System.Xml provides the necessary means of handling the inbound and outbound cXML documents, while System.Net includes the HttpRequest and the HttpResponse classes that can be used for implementing the transport.

Slingshot applications are extended to include a new class, instances of which (objects) represent individual Punch-Out sessions. Methods of this class represent actions that the application will take during a session, such as starting a new session and sending order requests. The class will handle responses to current requests as well as asynchronous requests generated by the supplier website.

## Summary

Employing Slingshot's Punch-Out functionality will help you to drive a greater proportion of purchasing spend to established supplier contracts. This reduces manual effort and the associated costs, improves procurement compliance across the organization, reduces maverick buys and improves visibility of all money spent.

Universal adoption by your users is also more easily achieved, as Punch-Out provides an efficient way for your purchasing team to perform their tasks. The functionality is based on emerging technological standards that make it safe, secure and stable.

Improve your spend management, reduce your internal procurement costs and reduce your spend using Slingshot's Punch-Out functionality.



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