



2017 B2B Payments & WCM Strategies

Survey Results

June 2017

Co-Presented By:





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2017 SURVEY RESULTS

B2B PAYMENTS & WCM

Global Strategies

Report

Underwritten by

Bottomline Technologies

Bank of America Merrill Lynch

STRATEGIC TREASURER
Consultants in Treasury



About the Speakers



Craig Jeffery, CCM, FLMI
Founder & Managing Partner
Strategic Treasurer

Strategic Treasurer is a consulting firm advising on treasury, financial risk and risk technology issues. Their seasoned treasury consultants efficiently work alongside financial executives in treasury, finance, and other related areas within corporate, government, education, and not-for-profit entities.



Doug Cranston
VP Product Management, Paymode-X
Bottomline Technologies

Bottomline Technologies (NASDAQ: EPAY) helps businesses pay and get paid. Businesses and banks rely on Bottomline for domestic and international payments, effective cash management tools, automated workflows for payment processing and bill review and state of the art fraud detection, behavioral analytics and regulatory compliance.



Jennifer Sanctis
Treasury Product Manager
Bank of America Merrill Lynch

Bank of America Merrill Lynch offers integrated financial guidance and solutions to small and mid-sized businesses, municipalities and government agencies in the U.S. and large corporate clients around the world. We are a leading provider of card solutions, working with clients to understand their unique payment processes and deliver integrated electronic solutions designed to increase efficiency, visibility and control.





Topics of Discussion



Survey Background



Overview of Top Survey Takeaways



Analysis of Key Points



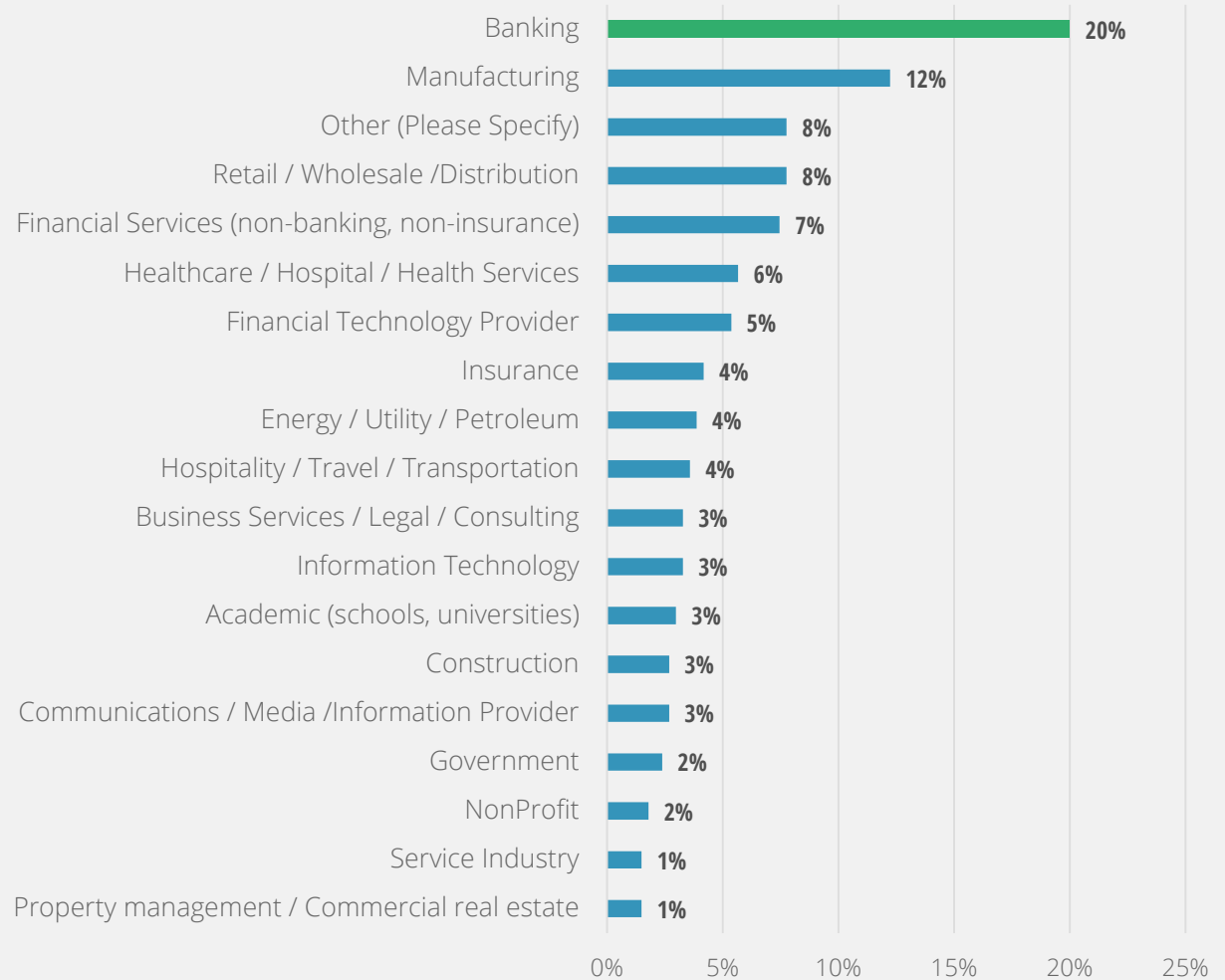
Final Thoughts



Survey Background

- **BRAND NEW** survey
- **335** respondents
- **Survey ran from 1/12/17 to 4/4/17**

What is your organization's industry?





Top Survey Takeaways



The Corporate B2B Payments Landscape is Highly Global & Heavily Complex

- 67% of corporates were operating in more than one country, and 33% in 21+ countries
- 42% of corporates originate payments using 6 or more banks, 39% generate 100,000+ payments globally every month



Planned Corporate Spend on Payments Technology is Elevated

- 4x more corporates plan to spend more on card payments this year vs those decreasing spending
- 37% of firms plan to spend more than \$100k on payments technology over the next year



ACH Tops Corporate List for Efficiency & Preference, Checks Disappoint

- ACH was listed as both the most efficient and most preferred B2B payment method by corporates
- Conversely, checks were listed as both the least efficient and least preferred method

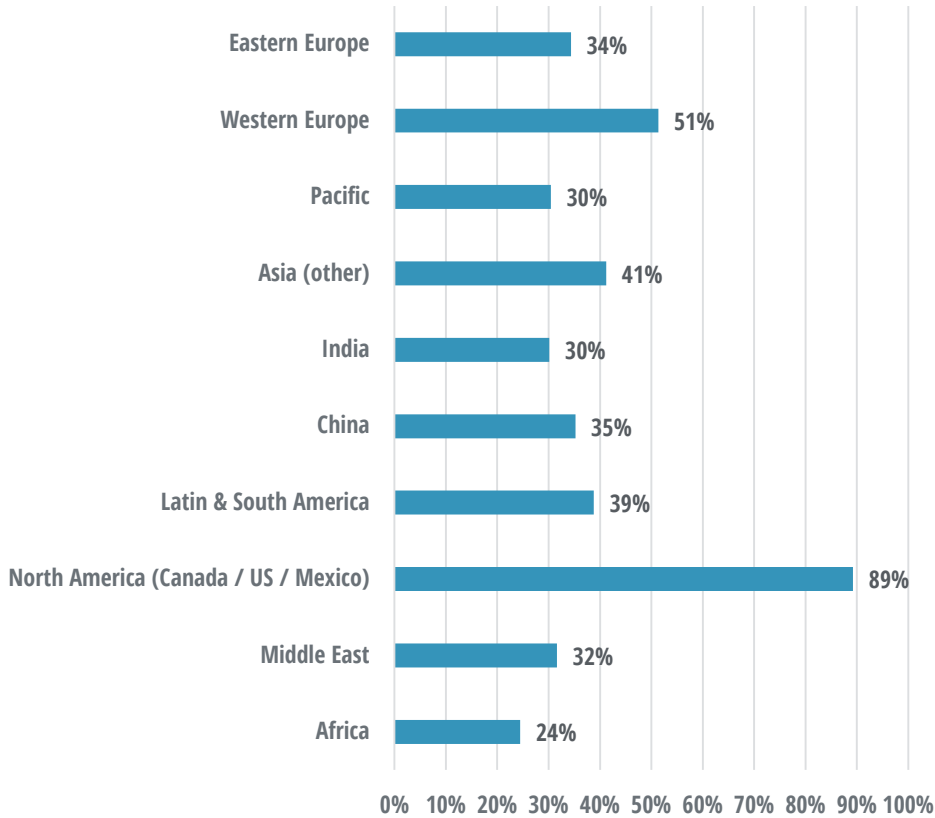


Bank Payables Offerings Play a Significant Role in Corporate-to-Bank Relationships

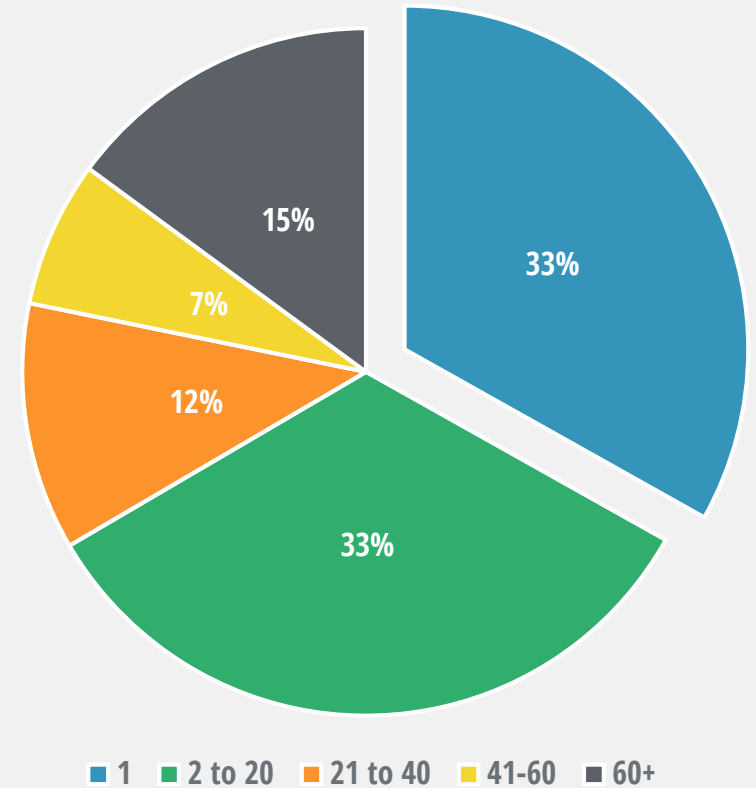
- 45% of firms see B2B payables as playing a very or extremely important role when it comes to selecting a bank
- 55% of companies see bank investment in services such as mobile banking apps as important or very important

The Corporate Environment is Highly Global

Which regions does your company operate in?
(Select all that apply)



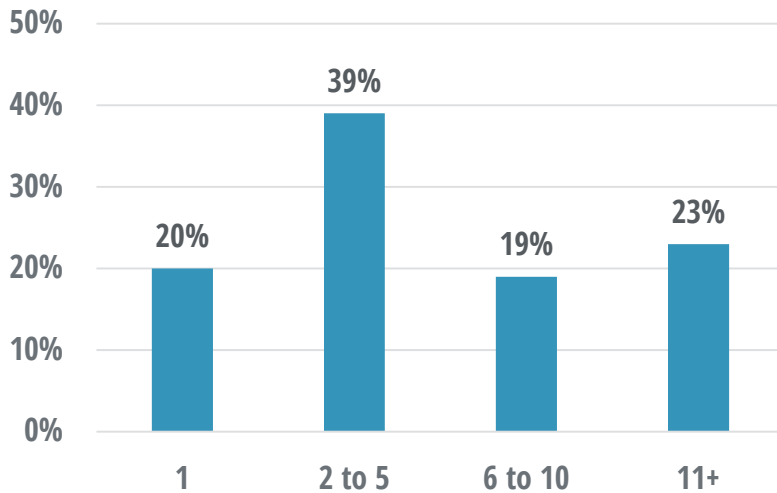
Our business operates in this many countries ____.



Corporate Payment Operations are Complex



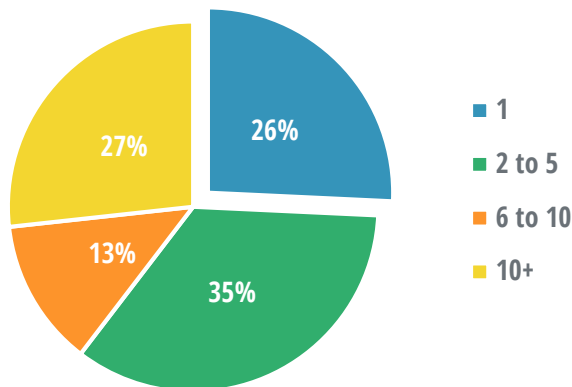
How many banks do you originate payments with?



42% of corporates originate payments with **6 or more banks**

40% of corporates regularly make payments **using 6 or more currencies**

How many currencies do you regularly make payments in?



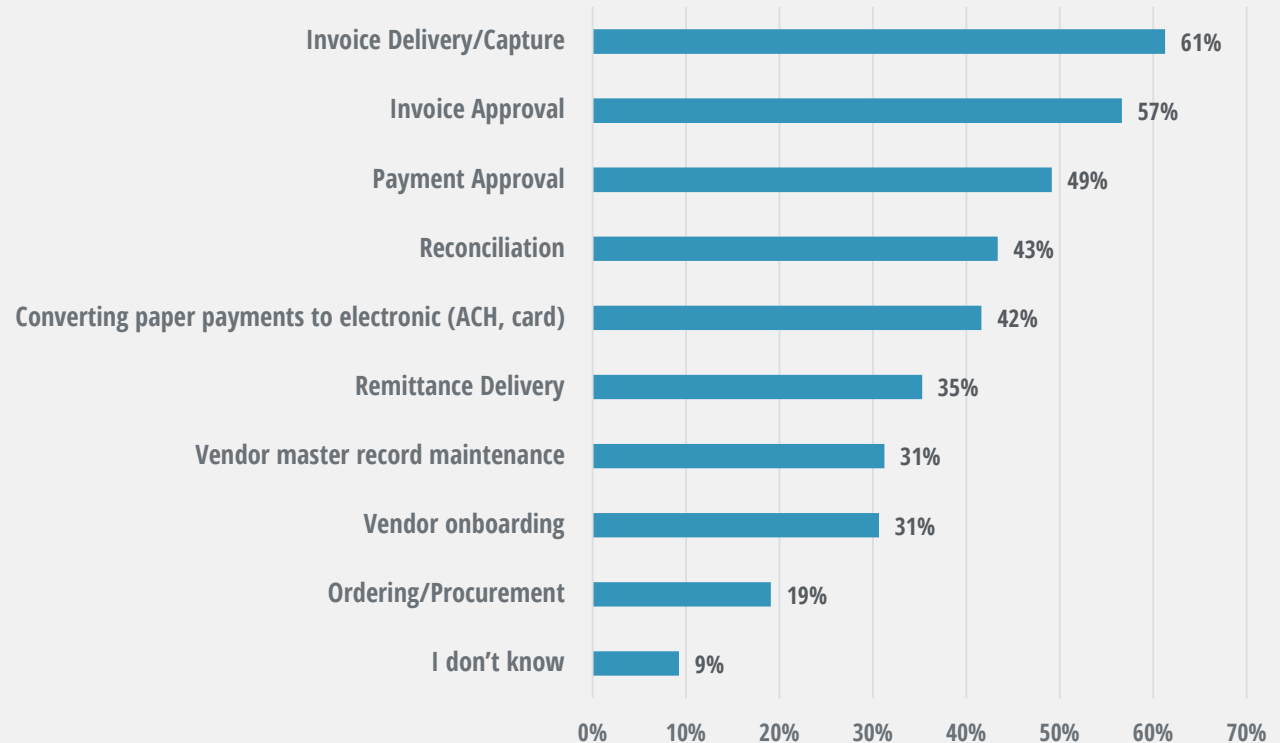
52% of companies generate **10,000+ payments globally EVERY MONTH**

Corporate Drivers for AP Focus on Automation

52% of corporates indicated that **automation of the AP process for efficiency and productivity** is an **incredibly important AP driver**.

Of this automation, much of the **emphasis centers on invoices**.

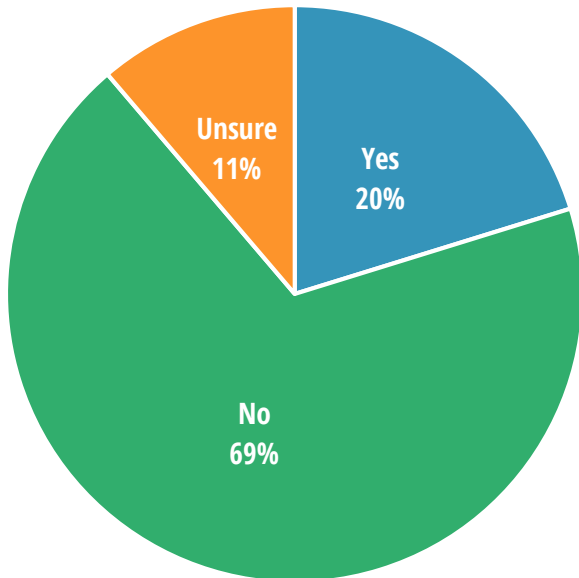
What are the most important components of the accounts payable process for gaining efficiency through automation? (Select all that apply)





Non-Bank Providers for B2B Payments?

Do you use a non-bank provider for B2B payments?



22% of firms indicated that they would be **willing to use a financial technology provider or non-bank payment platform for B2B payments**

The **B2B payments landscape** has **traditionally** been **dominated by banks**.

The entrance and **growing popularity** of **non-bank providers** points to a **focus by corporates** on **payments technology**.

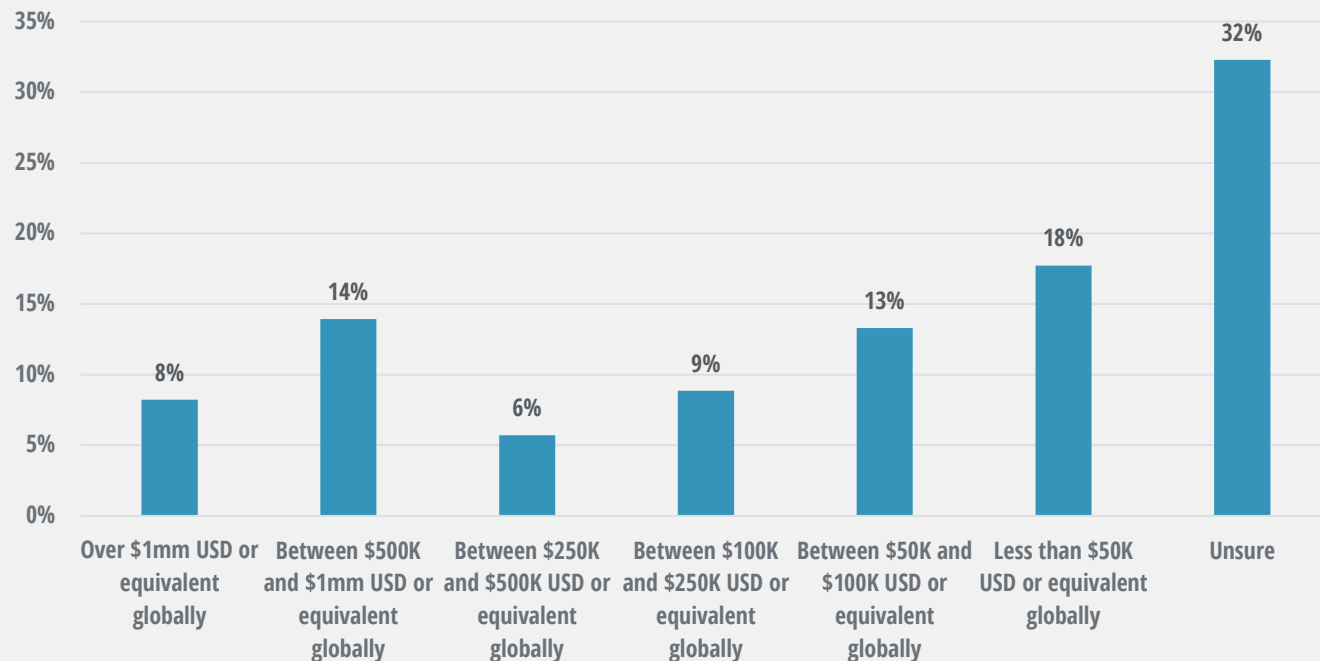


Corporate Planned Payments Spend

50% of corporates plan to **spend more than \$50,000** on payments technology over the next year.

Areas of emphasis include **security**, **card programs**, & **AP automation projects**, especially related to B2B payments.

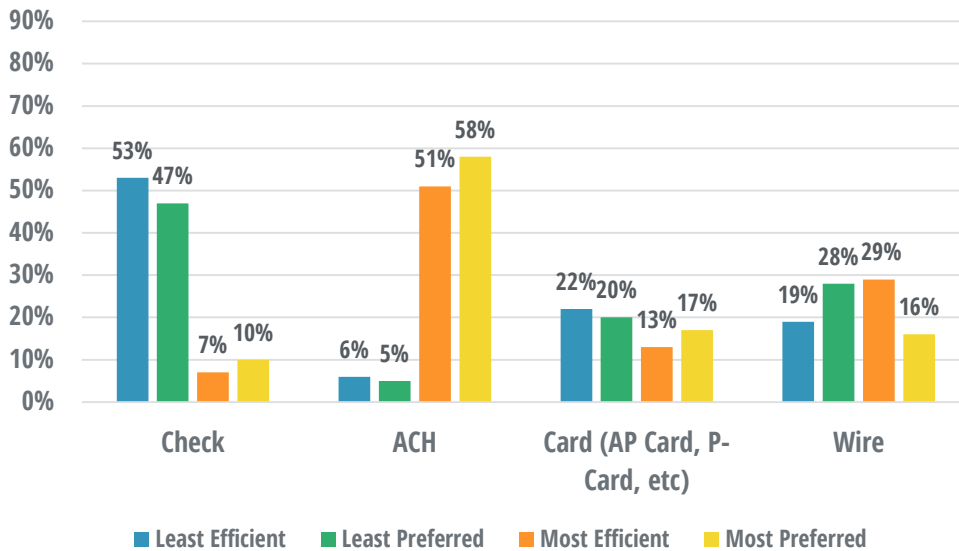
How much does your company plan to spend on payment technology in the next year (excluding staff costs and consumer card payments)?



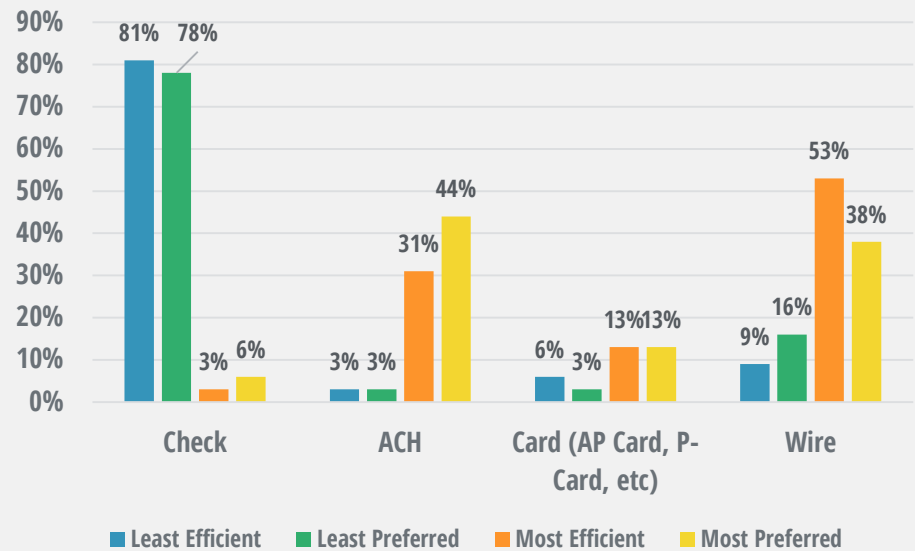


The Most Efficient & Preferred Payment Method is...

[North America] For your organization's B2B payment methods, rank the following:



[EMEA] For your organization's B2B payment methods, rank the following:



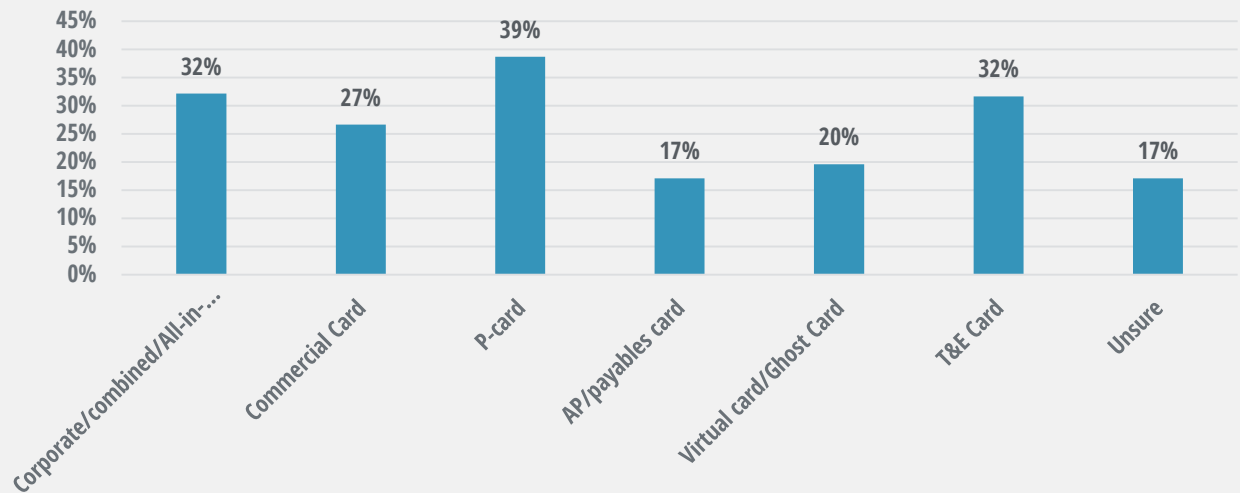
The majority of corporate respondents viewed **ACH** as both the **most efficient and most preferred** payment method, while checks were simultaneously the least efficient and least preferred.



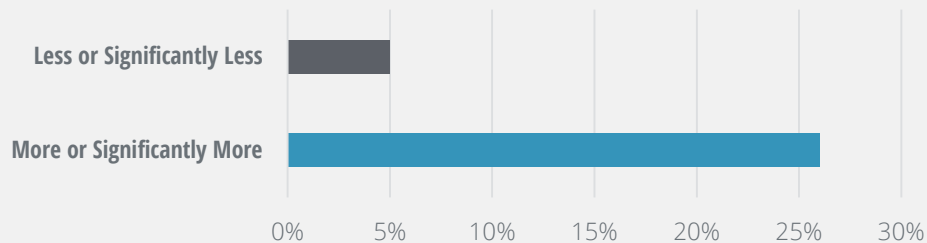
Corporate Card Programs are on the Rise

Even though many corporates already have a variety of card programs in place, 26% are still **investing more in card programs** in 2017.

What card programs do you have or plan to have in the next year?
(Select all that apply)



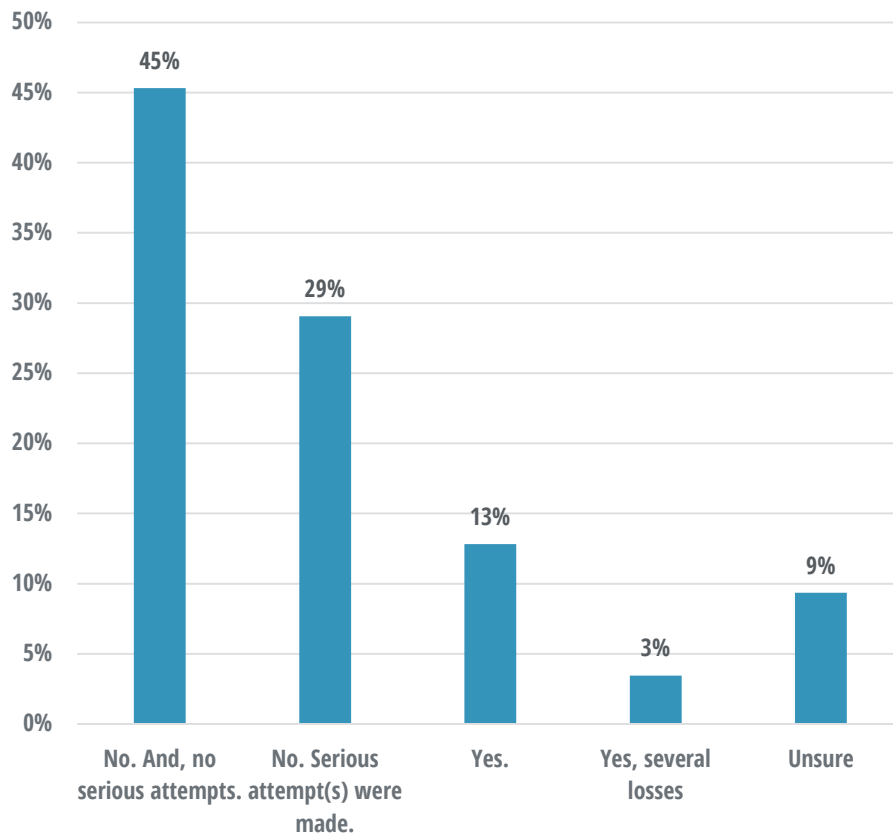
What are your expectations for spending on all card programs next year vs. this past year?





Payment Security Remains a Major Concern for Corporates

We have suffered a loss on B2B payments due to fraud in the past year:



46% of corporates said security concerns were **higher or significantly higher** as compared to the previous year.

90% said that these same security concerns were affecting their current / planned technology spend. **(30% said it was a very strong influence)**



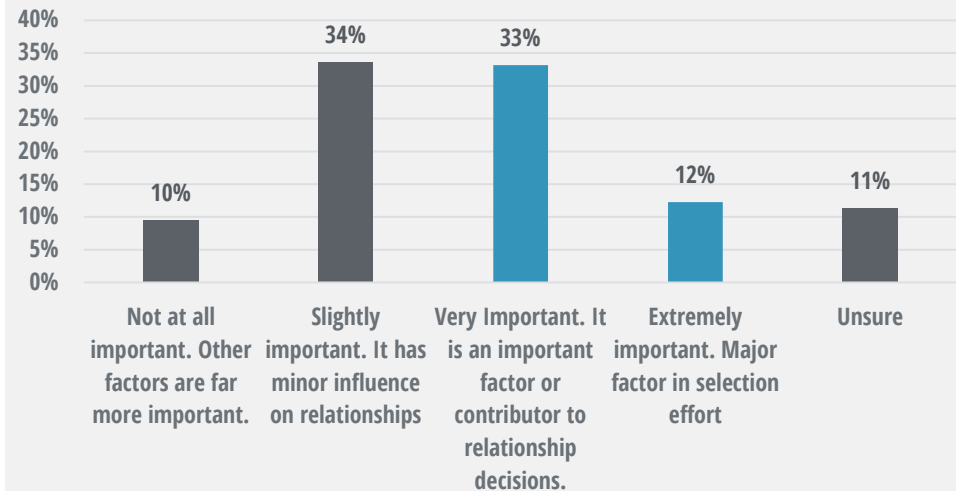
B2B Payables Offerings Play a Major Role in Corporate Bank Selections

As payment complexity increases, so does the need for updated B2B payables offerings.

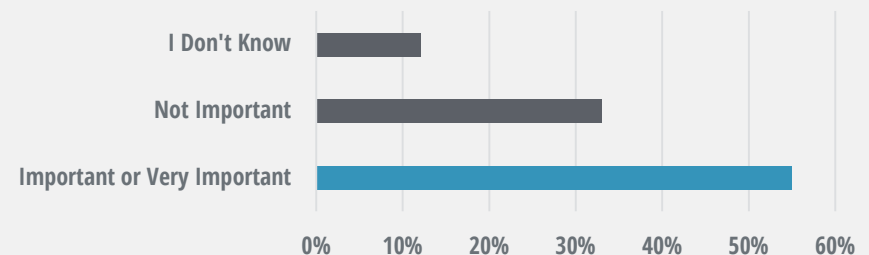
45% of corporates rank **B2B payables** offerings as **very important or extremely important factors** in a bank selection process.

Additionally, **bank investment** in services such as **mobile banking applications** is seen as **important** for a majority of corporates.

How important are B2B payables offerings when it comes to selecting a bank?



Is it important to you that your banks invest in commercial/corporate banking applications for mobile devices?





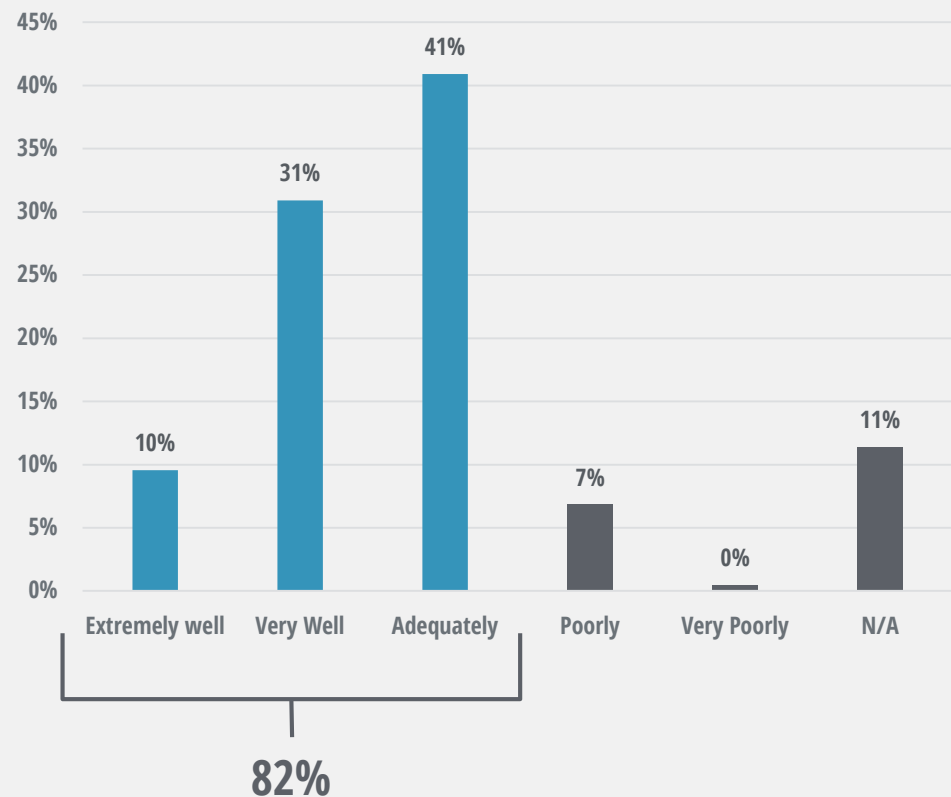
Banks Meet Client Needs for B2B Payment Services

Only **9%** of corporates did **NOT** feel that their banks were investing in **innovative B2B payables offerings**.

While **North American respondents** were **more satisfied** with their banks than Europe, the needs of **both regions were overall very well met**.

Given the intense scrutiny placed upon the payments landscape, the fact that most banks are meeting their clients' expectations in these areas is a **positive sign**.

How well do your bank's B2B payables offerings address your needs?





Final Thoughts

- There is significant complexity within the corporate payments landscape
- Intent to spend on payments technology is elevated
- The payment practices and strategies used by firms are evolving rapidly
- Corporates are placing increased emphasis on B2B payables



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