Payables Strategy Series: Part 3

MAKING PAYMENTS

MOVING VIRTUAL FOR FLEXIBILITY

CRAIG JEFFERY
Managing Partner, Strategic Treasurer

TAD FORDYCE
Senior Vice President, Comdata

WHAT.

A look at the increased flexibility that comes with making payments with virtualization.

WHEN.

Tuesday, September 29, 2020
3:00 PM – 4:00 PM EDT

WHERE.

Live Online Presentation
Replays at StrategicTreasurer.com

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Presented by Comdata and Strategic Treasurer.

ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS

CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational, and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

TAD FORDYCE

Tad is Comdata's Senior Vice President, Product for Corporate Payments, responsible for defining, leading and communicating product strategy, and managing the corresponding roadmap. Tad most recently worked at Epsilon, a marketing services company, where he led their loyalty line of business for the past 4 years. Prior to that, he spent 17 years at Visa where he held a number of roles, including leading their Global Commercial Solutions product organization. His deep industry experience includes having served on the Executive Advisory Board for Commercial Payments International, the Board of Advisors for the Global Business Traveler's Association and as Chairman of the EMVCo Executive Committee.

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TOPICS OF DISCUSSION

TODAY'S KEY AREAS OF FOCUS

How virtualization functionally works to streamline the process, allowing your finance group to scale and adapt in a highly flexible manner.

THE NEW NORMAL

CHALLENGES IN THE CURRENT ENVIRONMENT

FOUNDATIONS

VIRTUAL CARD IN CONTEXT

VIRTUALIZATION

ADD COMPLEXITY OR INCREASE FLEXIBILITY?

PAYABLES PROCESS

WITH CARD vs. WITHOUT

STREAMLINE THE PROCESSES

WITH VIRTUALIZATION

NEXT STEPS

ACTION PLAN

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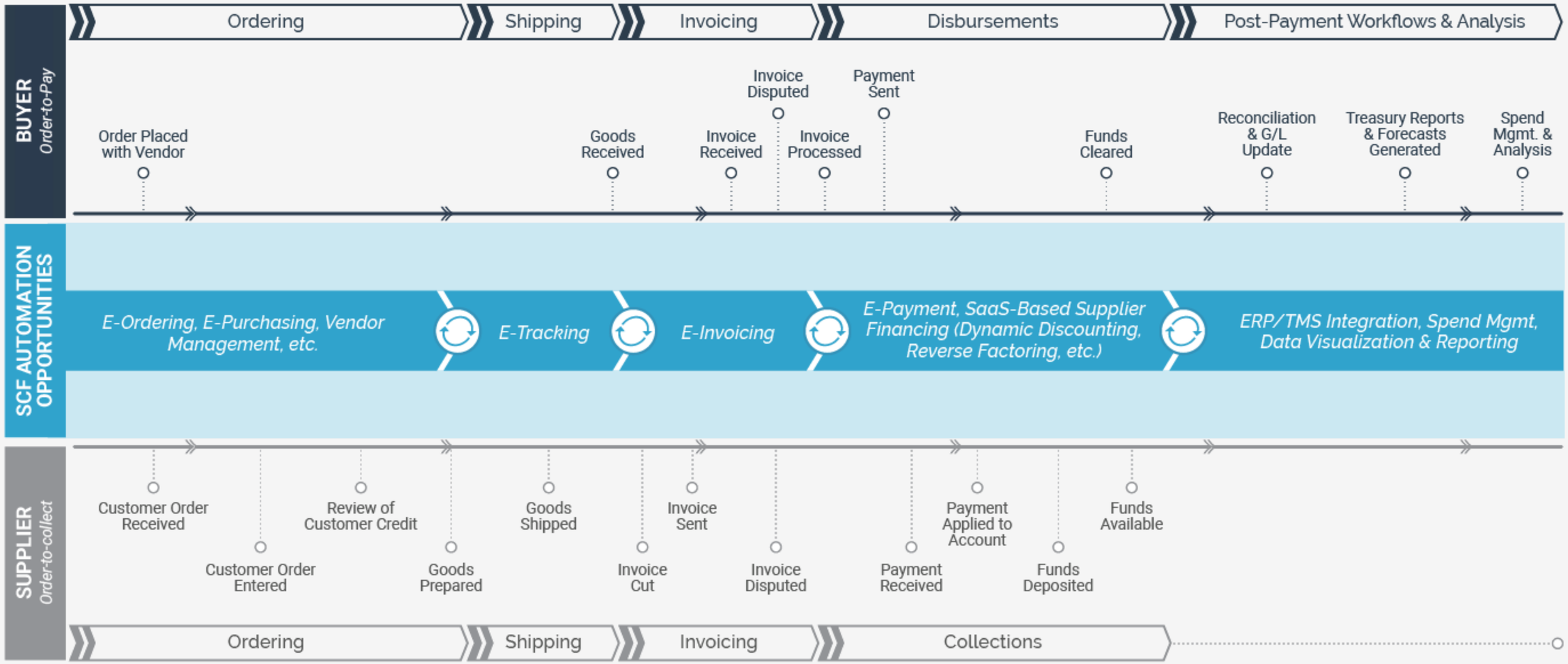
CASH CONVERSION CYCLE

WITH VIRTUALIZATION



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NEW NORMAL

WHAT DOES IT MEAN TO AP/AR?

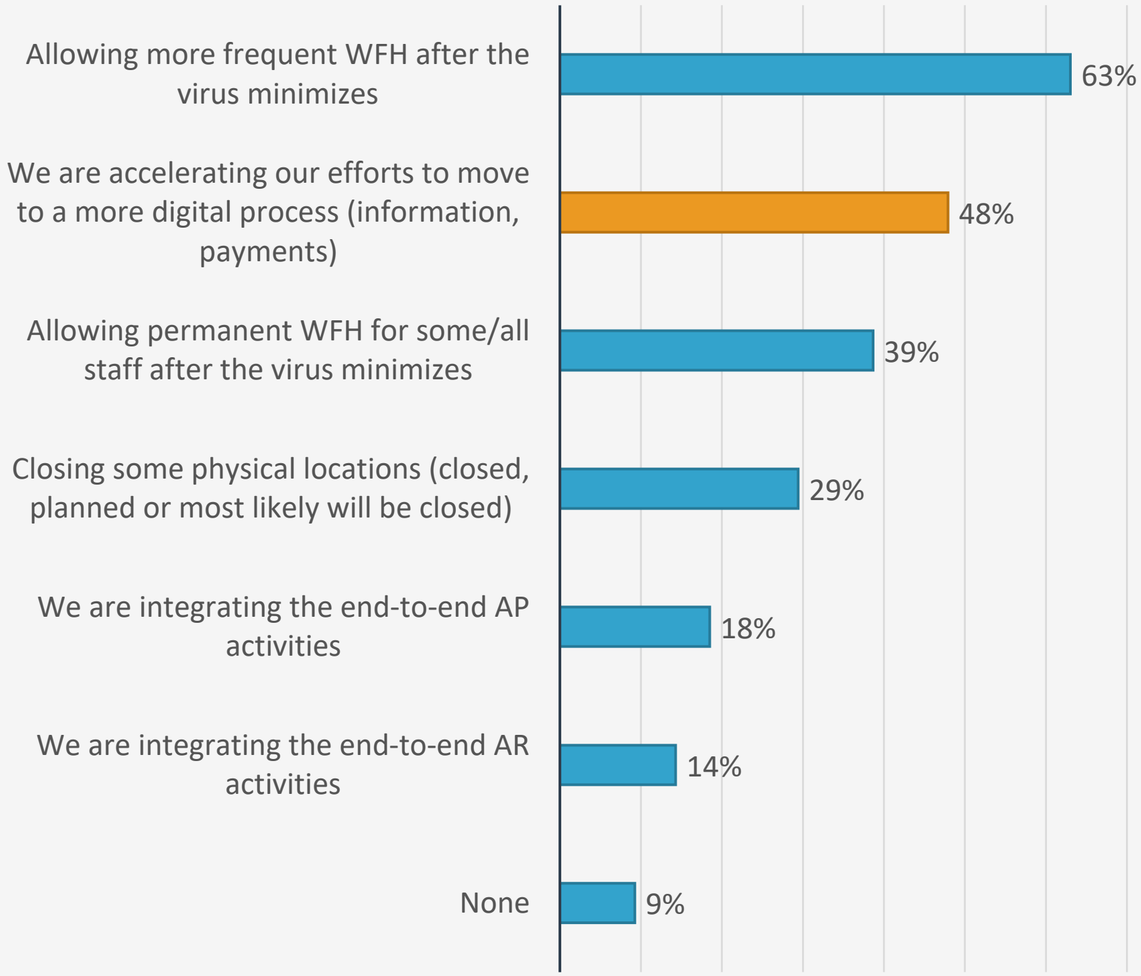
MORE ACCOUNTABILITY

MORE AGILITY

MORE AUTOMATION

MORE INNOVATION

» *In response to the COVID-19 pandemic, have you considered the following:*



Source: 2020 Modernizing AP/AR Processing Survey

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OPERATIONAL INEFFICIENCIES

OF PAYMENTS

- Managing ACH banking data
- Difficult reconciliation process
- AP staff turnover, training
- Handling of voids/re-issues/refunds
- Managing onsite check printing
- Duplicate payment management
- Cost burden of manual check printing
- Support for supplier inquiries
- Lack of data invoice/payment visibility
- 1099 reporting

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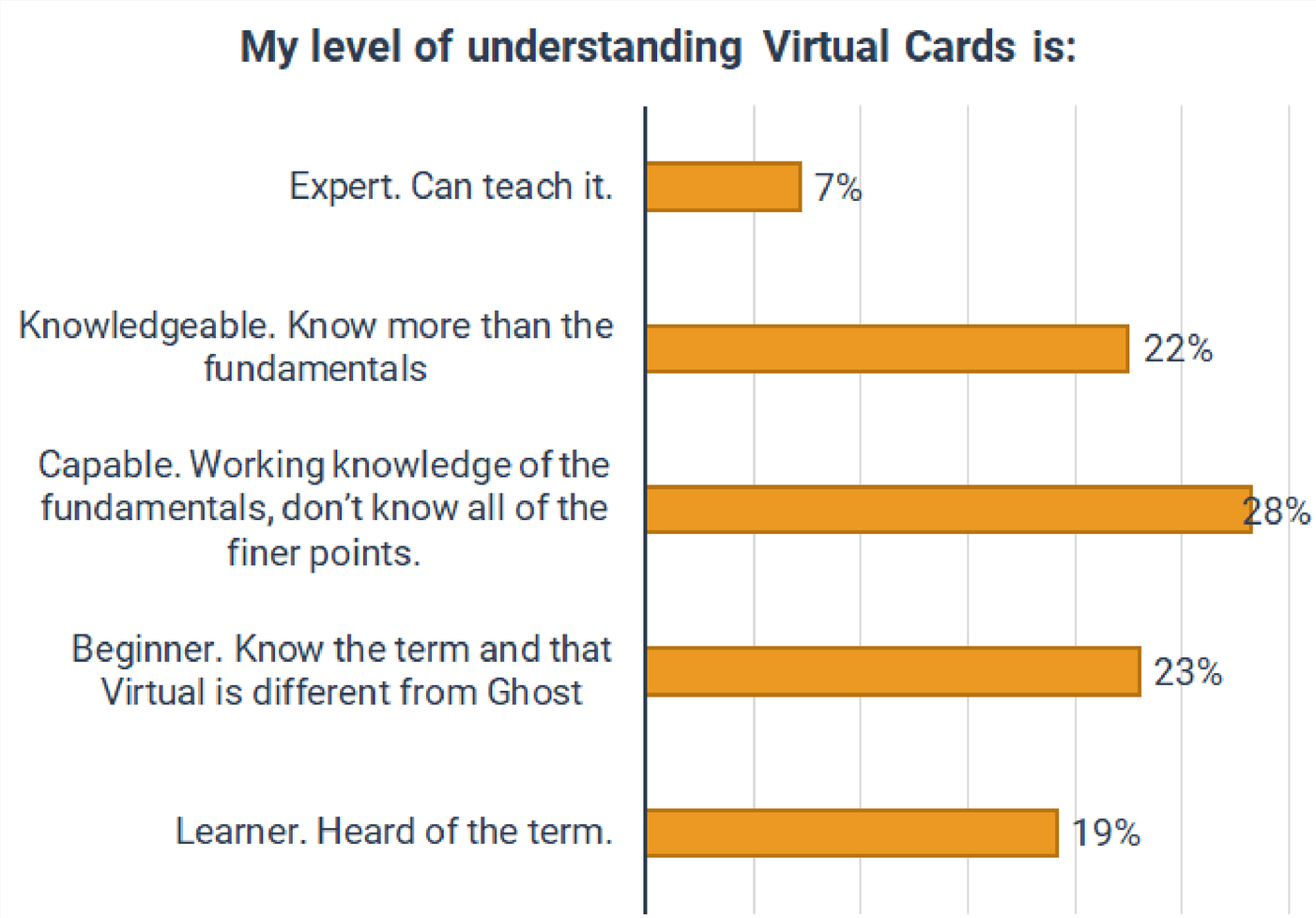
POLL QUESTION



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ADVANCES IN AUTOMATION

REDUCE THE BURDEN

AUTOMATE

- Eliminate paper checks

VISIBILITY

- Reduce fraud / mitigate risk
- Ease compliance issues with storing ACH data

SIMPLICITY

- Reduce internal costs
- Earn rebates via virtual card

SECURITY

- Improve controls and approvals
- Improve visibility

CONTROL

- Single user interface for all payments

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CARD OPTIONS

UNDERSTANDING THE DIFFERENCES

PLASTIC CARDS

- Allow authorized employees to make business purchases
- Charged to the company/department who registers the card rather than the individual
- Each employee's card has its own unique number
- Can be used for in-person purchases or supplying number to vendor
- Relinquishes purchasing control from company to employee

GHOST CARDS

- Plastic card without the plastic
- Unique number used to make payments when a vendor needs to keep a credit card on file
- Vendors can charge the same card as many times as needed
- Like plastic cards, the company/department that registered the card is charged
- Relinquishes security since vendors are keeping the card number on file
- Can be complicated if a card is compromised and vendors must be informed of a change

VIRTUAL CARDS

- 16-digit credit card account number that is issued for a specific vendor, for a specific dollar amount
- Issued to allow only one "swipe," or transaction
- Can integrate directly into your accounting or ERP system
- Increased security because you aren't using the same card number continually

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PAYMENT AUTOMATION

TECHNOLOGY ADVANTAGES

MAINTAINS OPERATIONAL WORKFLOW

- Keeps operational costs down while ensuring internal controls
- Improves remote workforce productivity
- Streamlines AP process across multiple remote locations and approvers

INCREASES VISIBILITY & REDUCES RISK

- Surfaces key data that helps create better informed decisions
- Helps minimize risk and maximize financial and operational opportunities

IMPROVES COMMUNICATION

- With internal stakeholders to ensure cashflow management
- With external stakeholders to maintain supplier relationships

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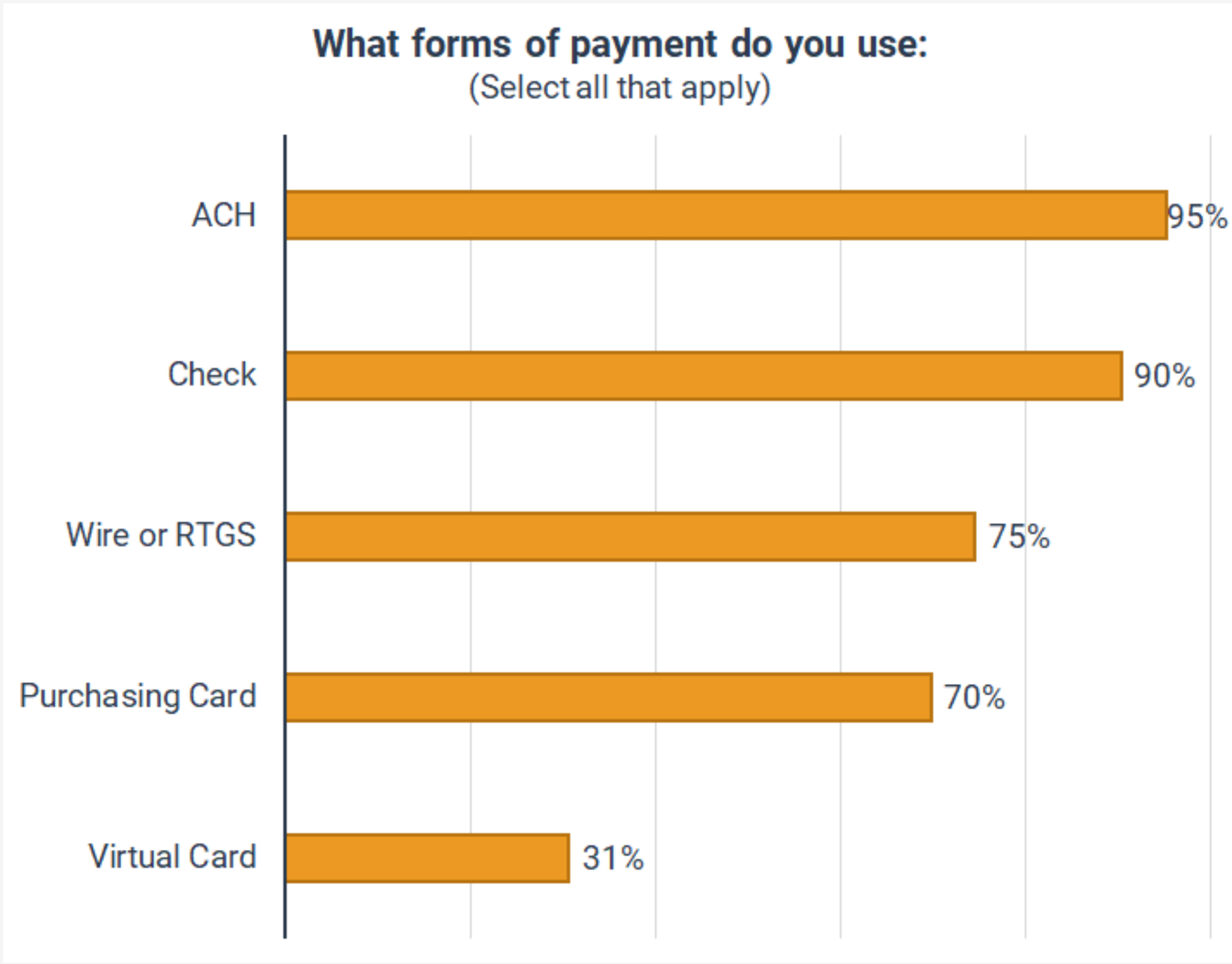

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IMPACT OF VIRTUALIZATION

ADDING COMPLEXITY OR INCREASING FLEXIBILITY?

Checks

Cards

ACH

Other Payment Types

RTGS (Wire)

Cross-Border

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SCALABILITY

AND PROCESS SUPPORT

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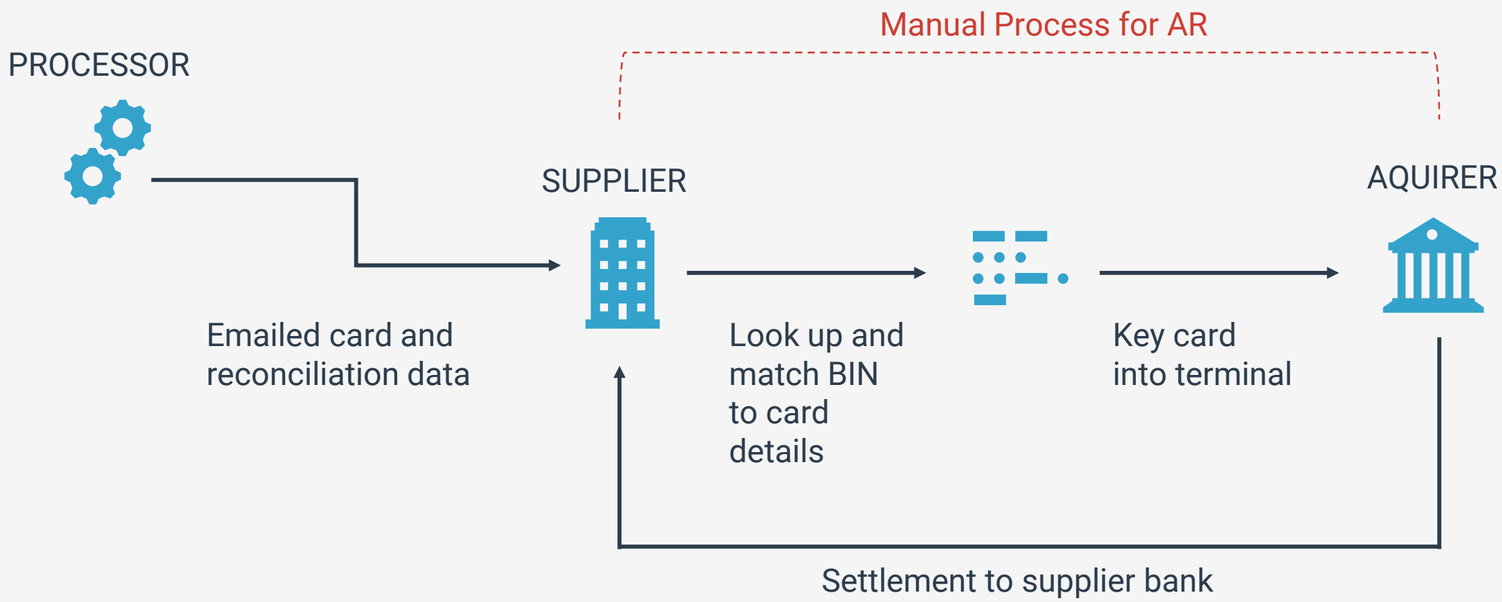
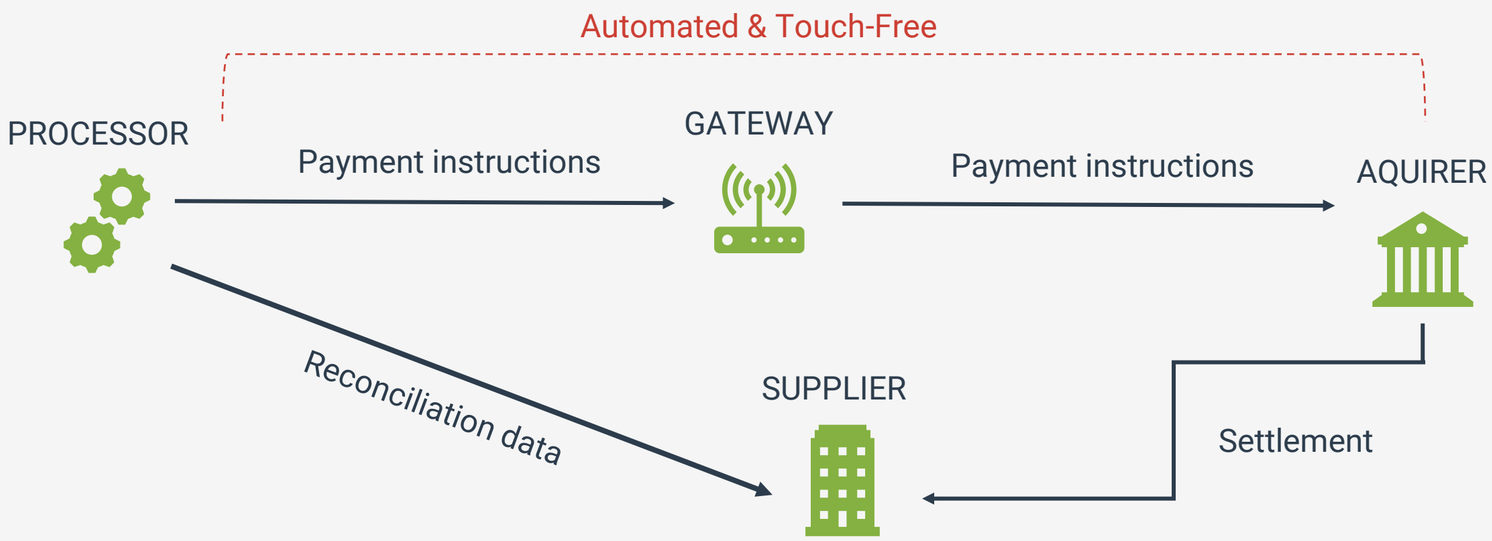
OPTIMIZATION & EFFICIENCY

OF WORKING CAPITAL/LIQUIDITY OPTIMIZATION

A standard card payment requires many manual steps for the recipient



STP payments can automate a portion of card acceptance



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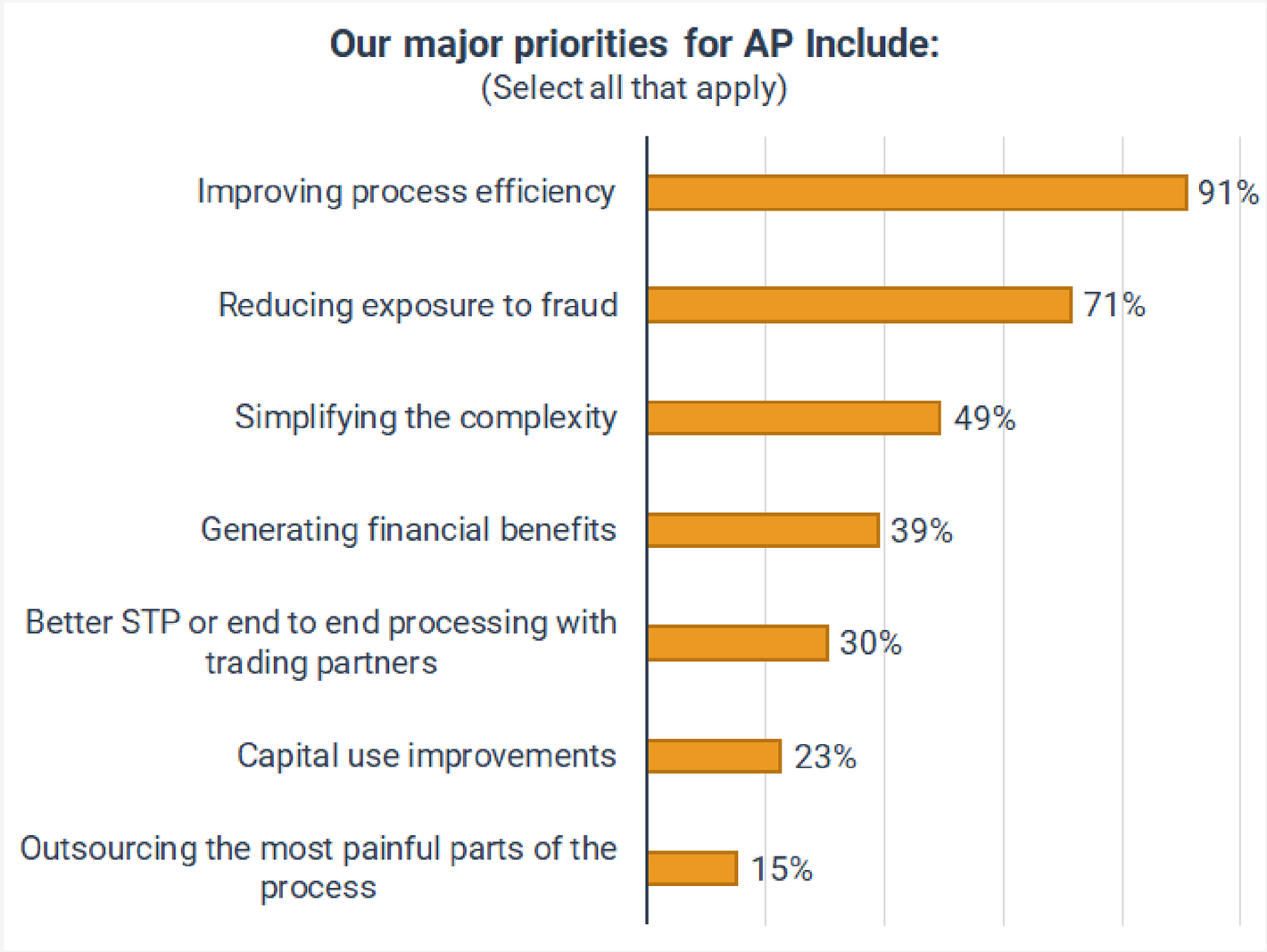

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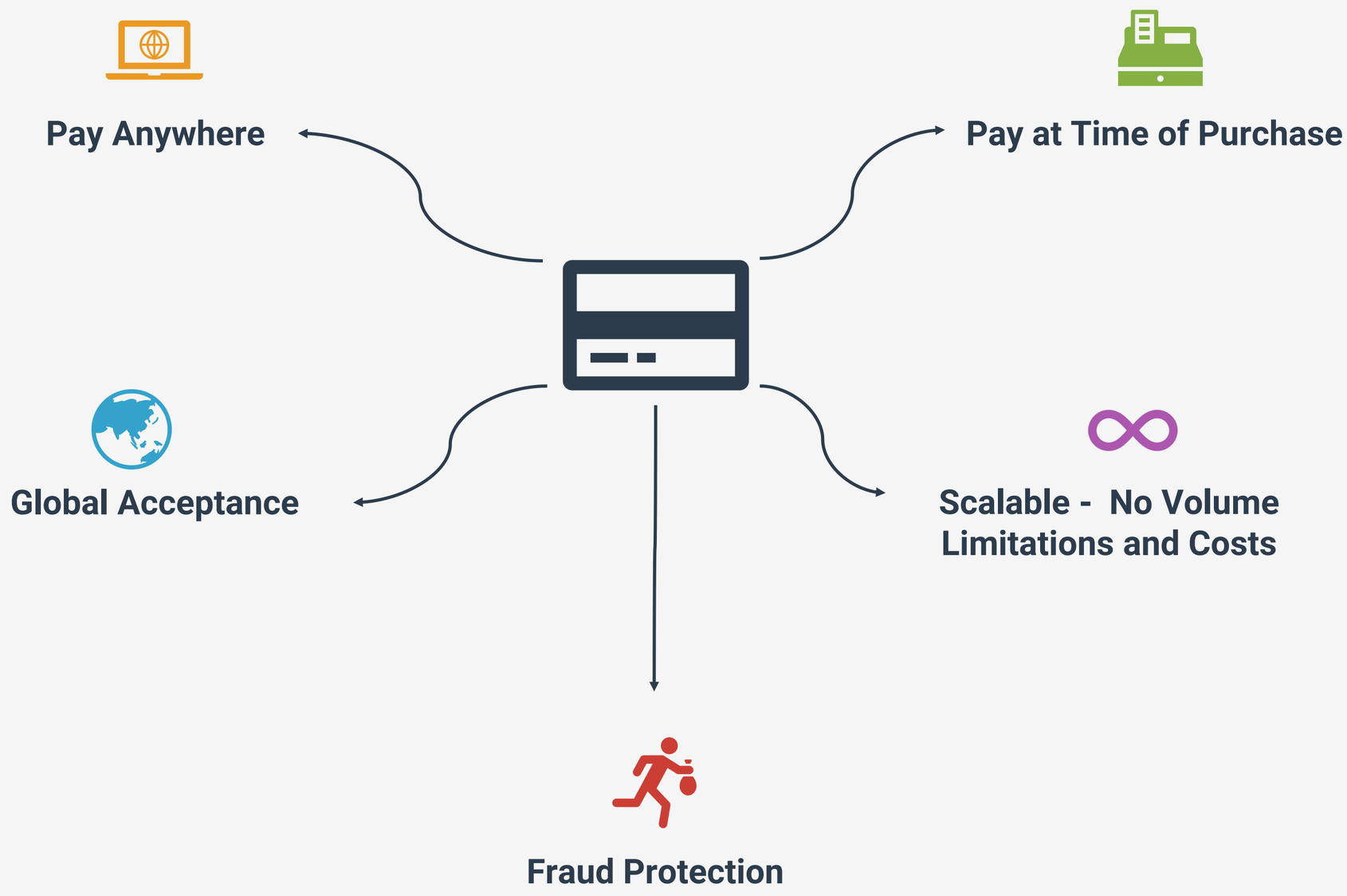
FLEXIBILITY

FROM VIRTUALIZATION



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TAKE-AWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE

LOCATING THE FIT FOR VIRTUAL

- Stratification
- Opportunity / Benefits

SEEING THE OPPORTUNITY WITH VENDORS

- Forecasting
- Process

CONSIDER THE END-TO-END VIEW

- Hard Benefits
- Soft Benefits

SCALABILITY & AUTOMATED PROCESSES

- Active Management

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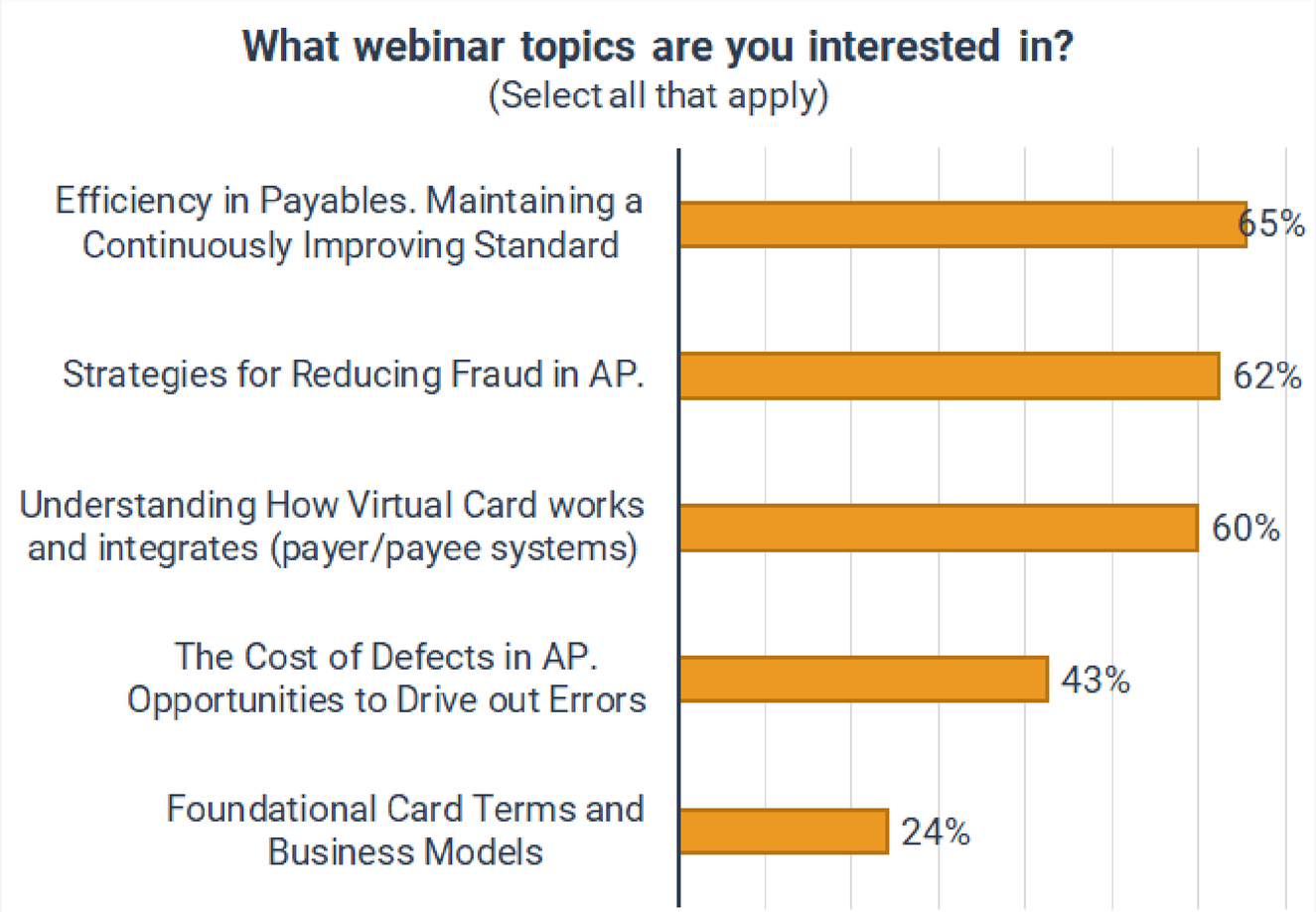

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LET’S CONNECT.

DON’T LET THE LEARNING END HERE… CONTACT US WITH ANY FUTURE QUESTIONS.

Thank you for your interest in this presentation and for allowing us to support you in your professional development. Strategic Treasurer and our partners believe in the value of continued education and are committed to providing quality resources that keep you well informed.

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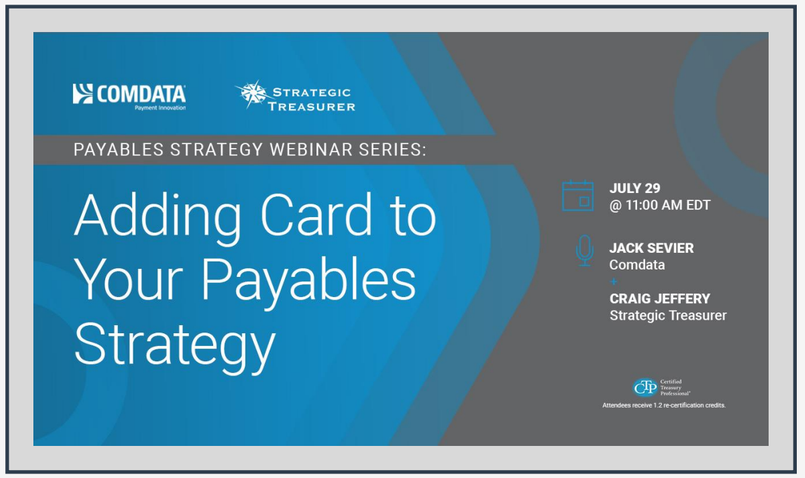
Part 4 of the Payables Strategy Series Coming Soon! If you missed the first two, check out the video replays with the links below.



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