

Fraud & Payment Security Series: Part 2

PAYMENTS MANAGEMENT: ACHIEVING SCALE & EFFICIENCY



CRAIG JEFFERY

Managing Partner, Strategic Treasurer

MARK PENSERINI

Vice President of Partner Management, Nvoicepay



WHAT

Use of technology and outsourcing to achieve scale and efficiency without compromising safety.



WHEN

Thursday, June 3, 2021
2:00 PM – 3:00 PM EDT



WHERE

Live Online Presentation
Replays at StrategicTreasurer.com

ABOUT THE SPEAKERS

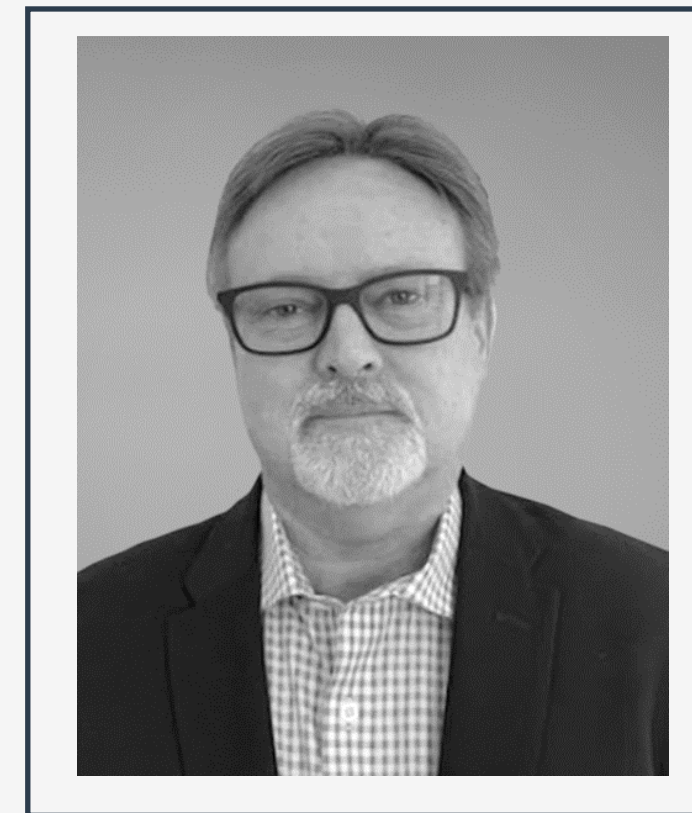
GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



CRAIG JEFFERY

Craig Jeffery has 30+ years of financial and treasury experience as a practitioner and as a consultant. This has uniquely qualified him to found and lead Strategic Treasurer, a research-based consultancy serving the treasury industry by assisting clients and informing the industry.

As Managing Partner, Craig oversees Strategic Treasurer's operations in both arenas: advising and assisting clients on major projects and through outsourced services, and informing the industry through educational webinars, informational publications and survey data.

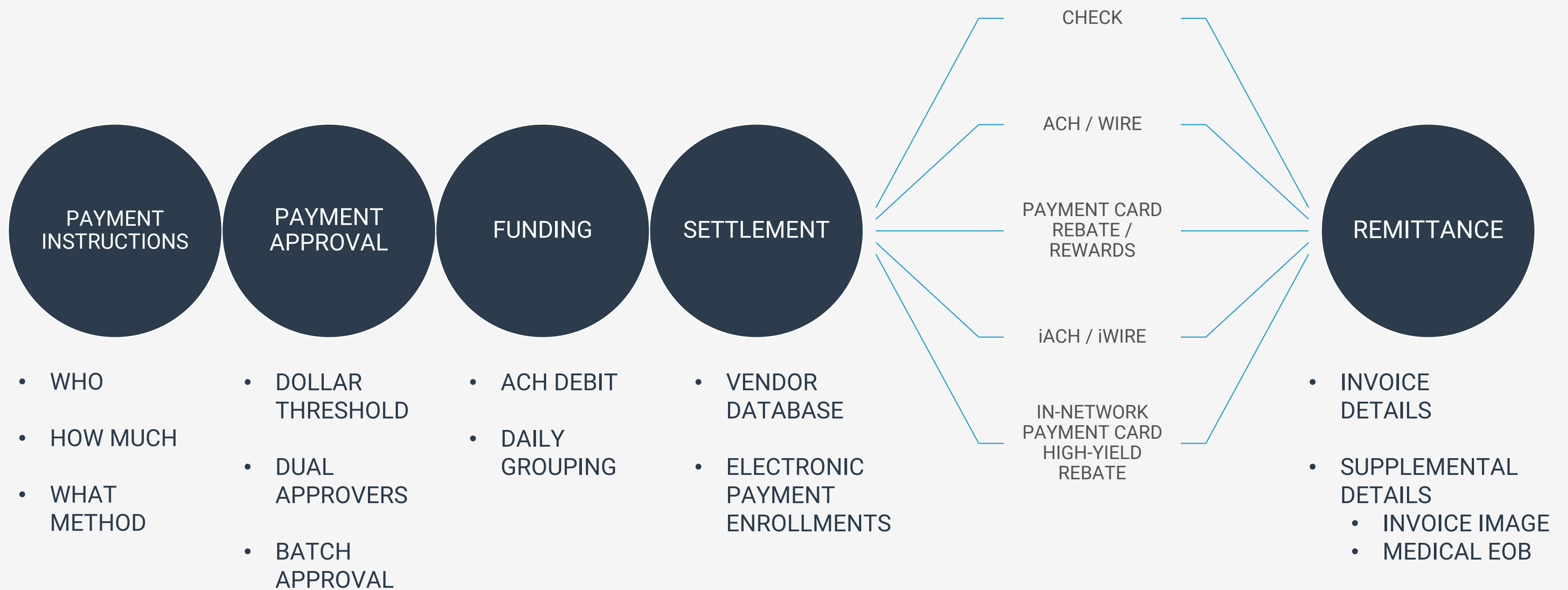


MARK PENSERINI

Mark has over 25 years of operational and technical experience specializing in project management across Healthcare, Finance, and IT operations. Before Nvoicepay, Mark was Vice President of Partner Services at Inworks servicing, LLC for six years. Mark was also a director and program manager at Molina Healthcare, focusing on their health insurance exchange. He also served as Deputy Program Manager for the Oregon Health Insurance Exchange for over three years with a \$200 million budget.

CORPORATE PAYMENTS

SUPPLIER INVOICES
EMPLOYEE REIMBURSEMENTS



TOPICS OF DISCUSSION

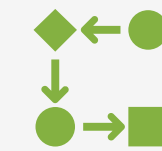
TODAY'S KEY AREAS OF FOCUS

Organizational growth is a good thing, but scaling up isn't always easy when it comes to payments. Significant efficiency is often necessary to support this growth and keep things running smoothly and securely.



CURRENT STATE

ELECTRONIC ADOPTION &
AUTOMATION DRIVERS



EFFICIENCY

AS IT APPLIES TO
SCALABILITY



IDENTIFYING THE INEFFICIENCIES

IN PAYMENTS



IMPROVING THE INEFFICIENCIES

WITH TECH



CASE STUDY

AND FACTORS TO
CONSIDER

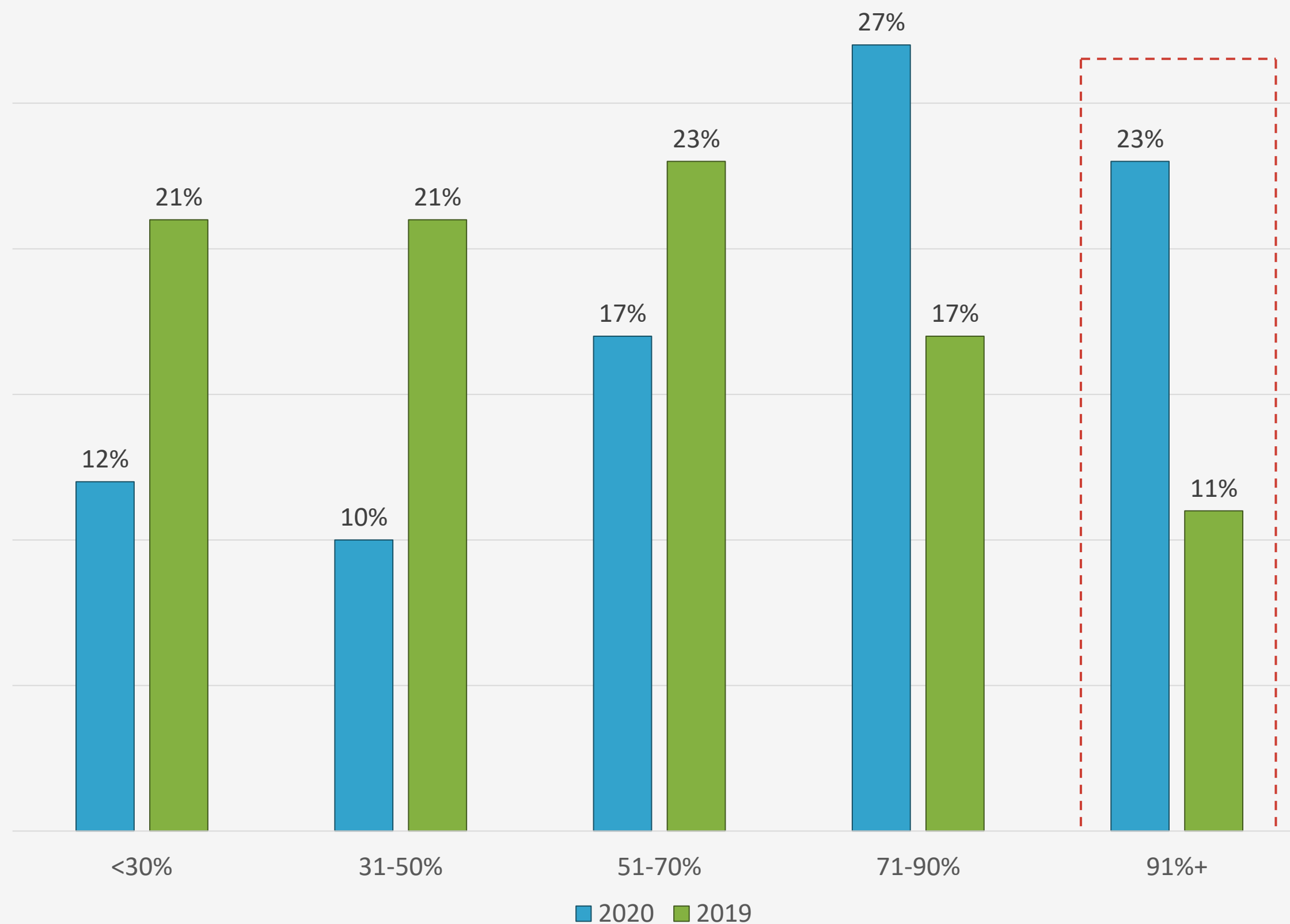


KEY TAKE-AWAYS

GROWING ELECTRONIC ADOPTION

SIGNIFICANT JUMP IN ONE YEAR

» What percentage of B2B payments do you make electronically?



AUTOMATING THE ENTIRE PAYMENT PROCESS

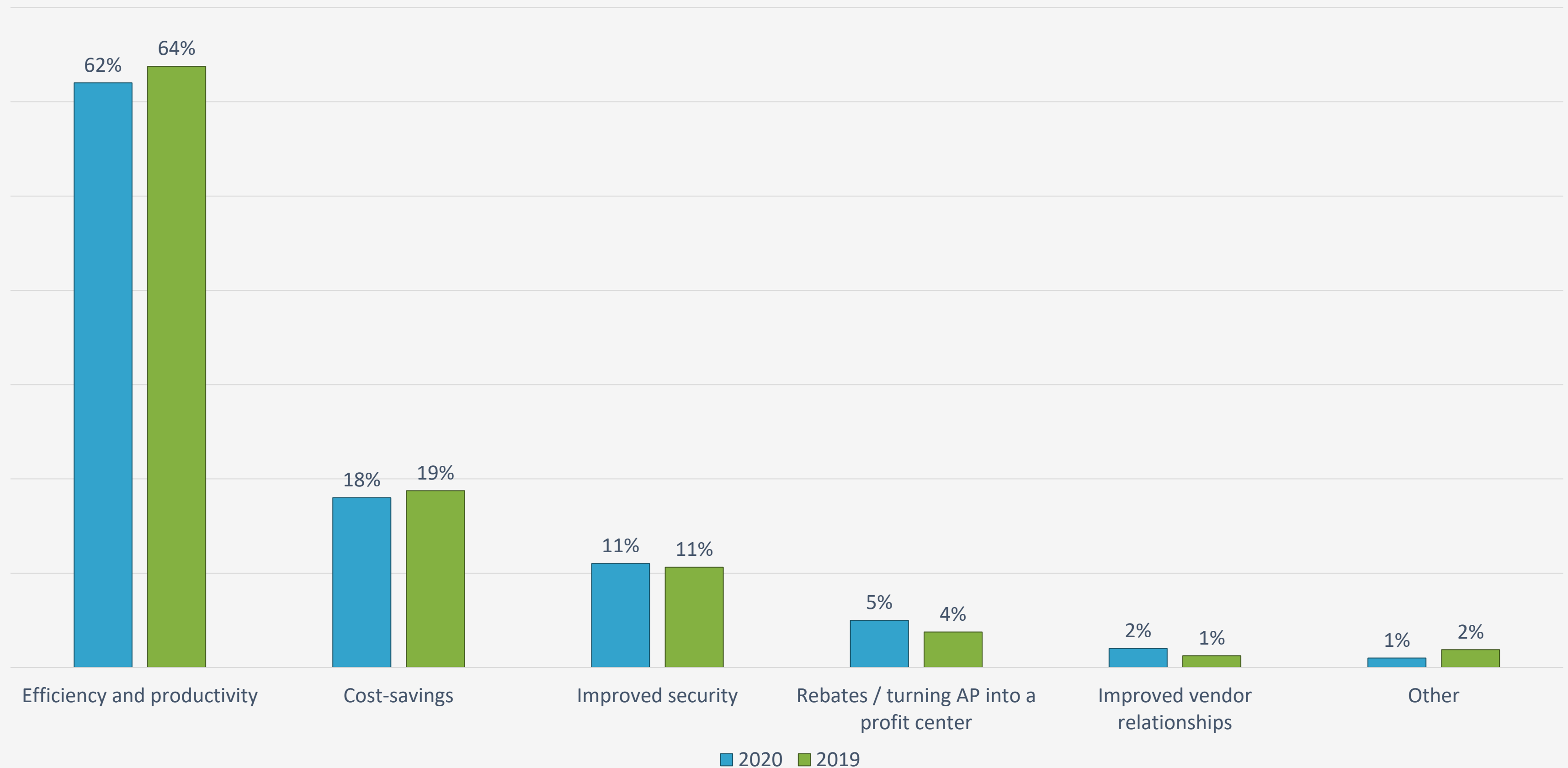
To be scalable, electronic payments must go beyond just the movement of funds:

- Preparing files for transmission
- Reconciling and following up on failed payments
- Keeping vendor information up to date

DRIVING AP PROCESS AUTOMATION

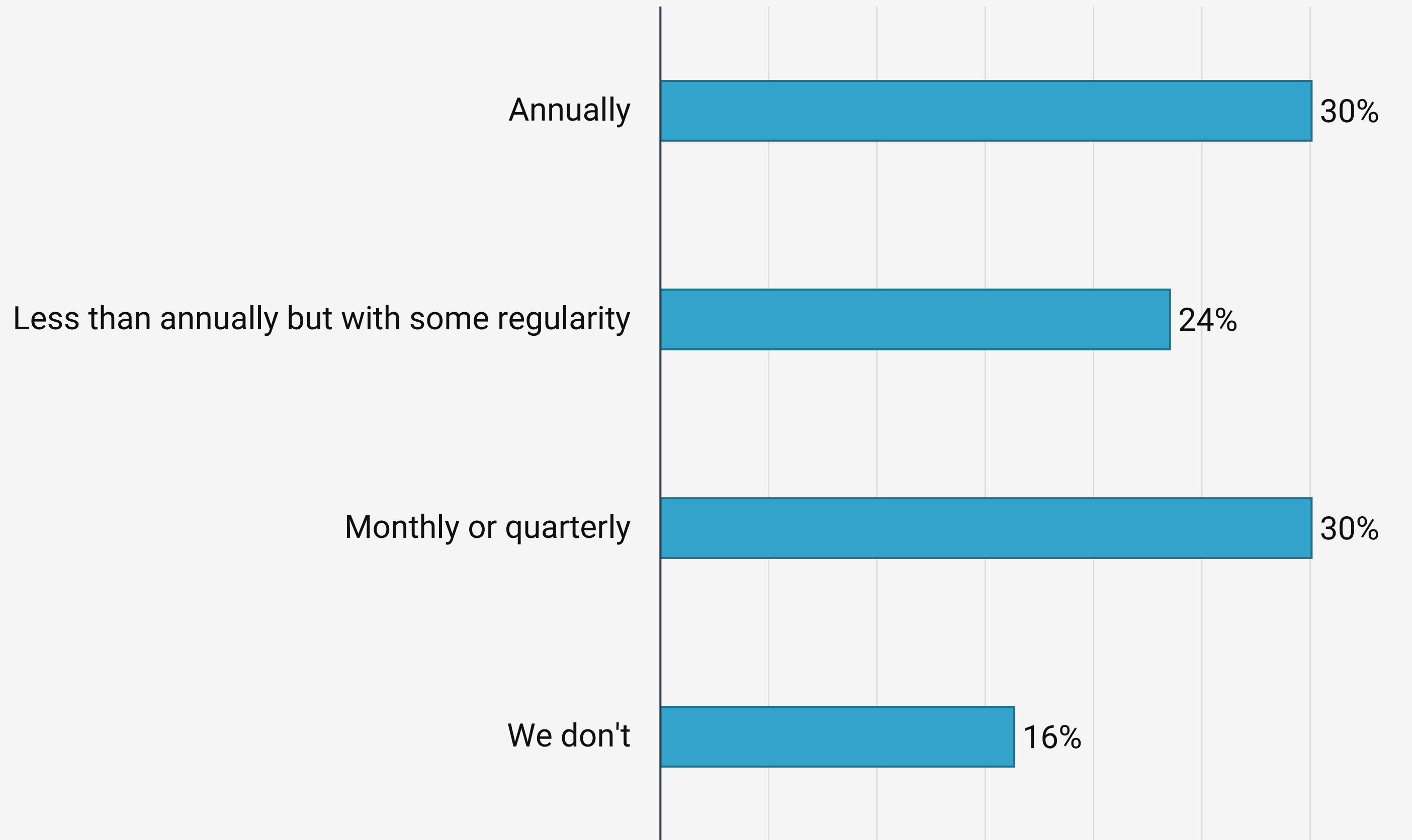
EFFICIENCY STILL NUMBER ONE BY A LANDSLIDE

» With regards to accounts payable, which MOST drives the desire for process automation?



POLL QUESTION

How frequently does your organization analyze AP costs?



EFFICIENCY ALLOWS FOR SCALABILITY

DO MORE WITH THE SAME HEADCOUNT

If payment processes are manual, you will likely have to significantly staff up to scale up your operations.

SCALING UP



Customers



Accounts



Regions



Currencies



Vendors



Systems



Payments



Regulations

WITH TECHNOLOGY AS THE ACCELERATOR

Staff can spend less time doing mundane and monotonous tasks and focus on:

- High-value work that supports growth, (e.g., cash forecasting, invoice discount programs)
- Reducing paper processing costs
- Increasing rebates

OPERATIONAL EFFICIENCY

IN ACCOUNTS PAYABLE



SUPPLIER ENABLEMENT FOR ELECTRONIC PAYMENT



ACH ERRORS PREVENTED/RESOLVED



STOPPED PAYMENTS, REFUNDS & RE-ISSUES



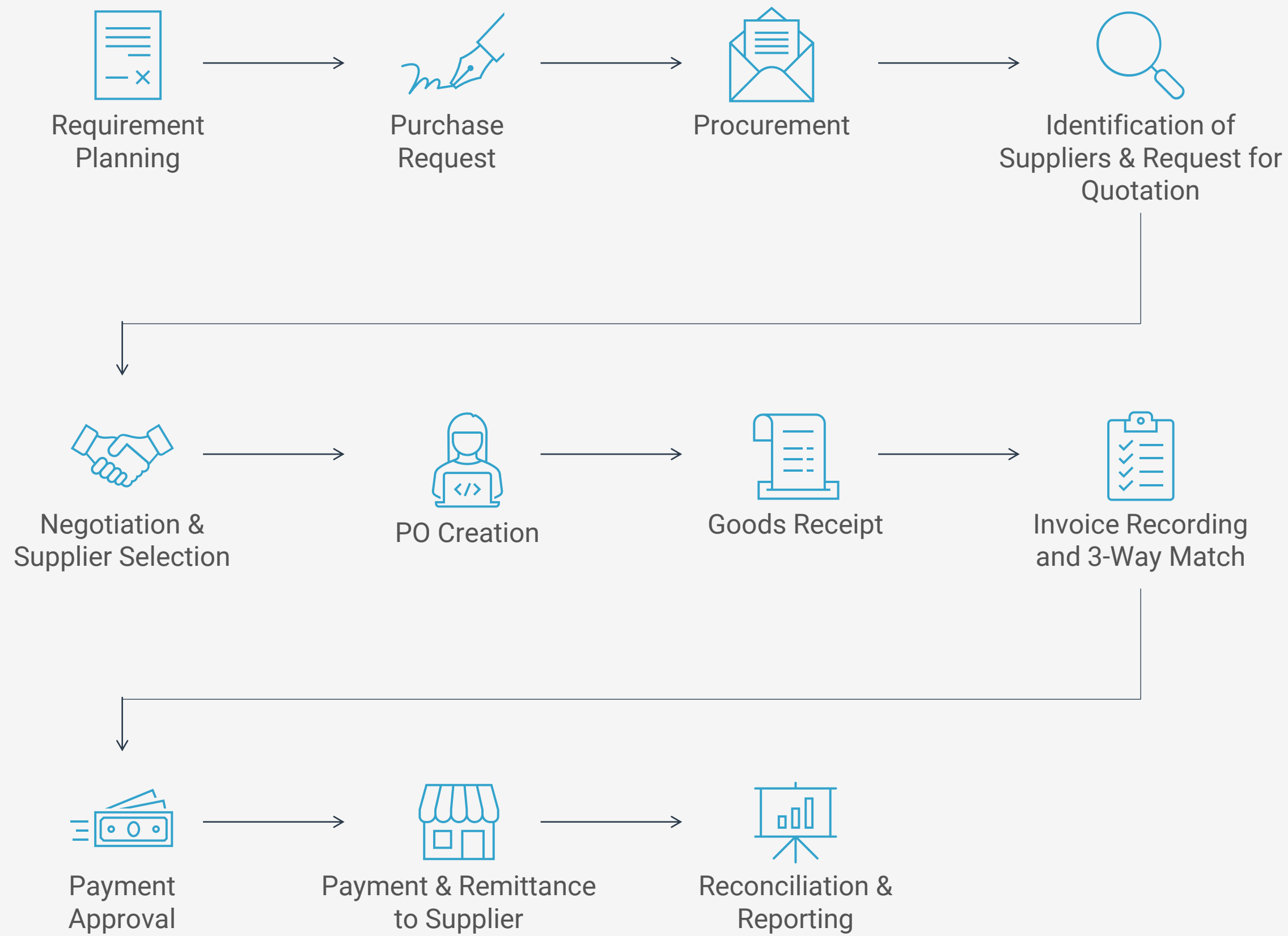
SUPPLIER FOLLOW-UP/OUTREACH RECORDS
UPDATES/VERIFIED



ERRONEOUS PAYMENTS PREVENTED/RESOLVED &
NOT RECOVERED

EVALUATE THE PROCESS

IDENTIFY THE INEFFICIENCIES



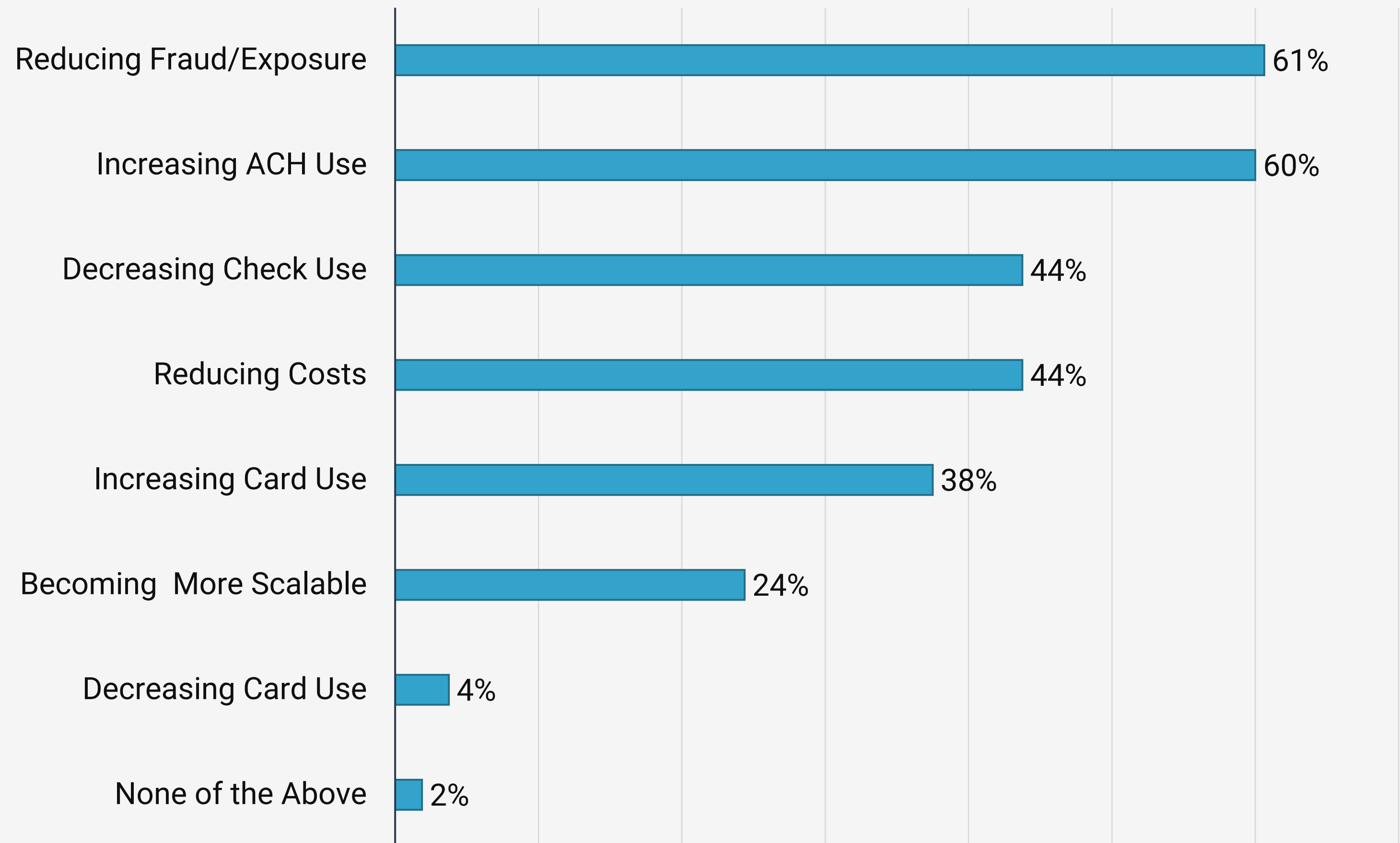
RISKS OF MANUAL INPUT

Manual input is not only more time-consuming than an automated process, but it also carries several risks that stem from heavy human involvement, including

- Manual keying errors
- Security breaches
- Weak audit trail

POLL QUESTION

**Our organization is highly focused on the following for payments?
(Select up to three)**



SLOW & ANTIQUATED

EXAMPLES OF INEFFICIENCIES



INVOICE PROCESSING

Whether you receive a paper or electronic invoice, your AP staff may need to manually key the details into your accounting software or ERP system. Such details may include quantity, timing and value.



BENEFICIARY BANK DETAILS

You may need to enter information into your bank payment provider's system, such as new or updated supplier bank details.



NEW SUPPLIER ENTRY

When you take on a new supplier, you may need to manually input their details, such as name, address and tax information. You may also need to input their bank details into your accounting or ERP system.



RECONCILIATION

Once a payment has been remitted, you will need to update your system to ensure the value leaving your bank account matches the invoice. With multi-currency transactions, the foreign exchange rate may have impacted the value of the payment leaving your bank account.

IMPROVING EFFICIENCY

USING TECH STRATEGICALLY

The majority of manual processes involve transferring data from one system to another. The easiest way to automate the process is through a level of system integration.

SIMPLE:

Generate a file from one system and map to another system.



ADVANCED:

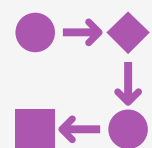
Use an application program interface (API) to allow the two systems to talk to each other.



Any level of integration will require internal IT resources. However, working with an alternative payments provider can reduce the burden of IT if resources are tight.



Optical Character Recognition (OCR) to scan the contents of invoices and automatically populate the relevant fields within an ERP system



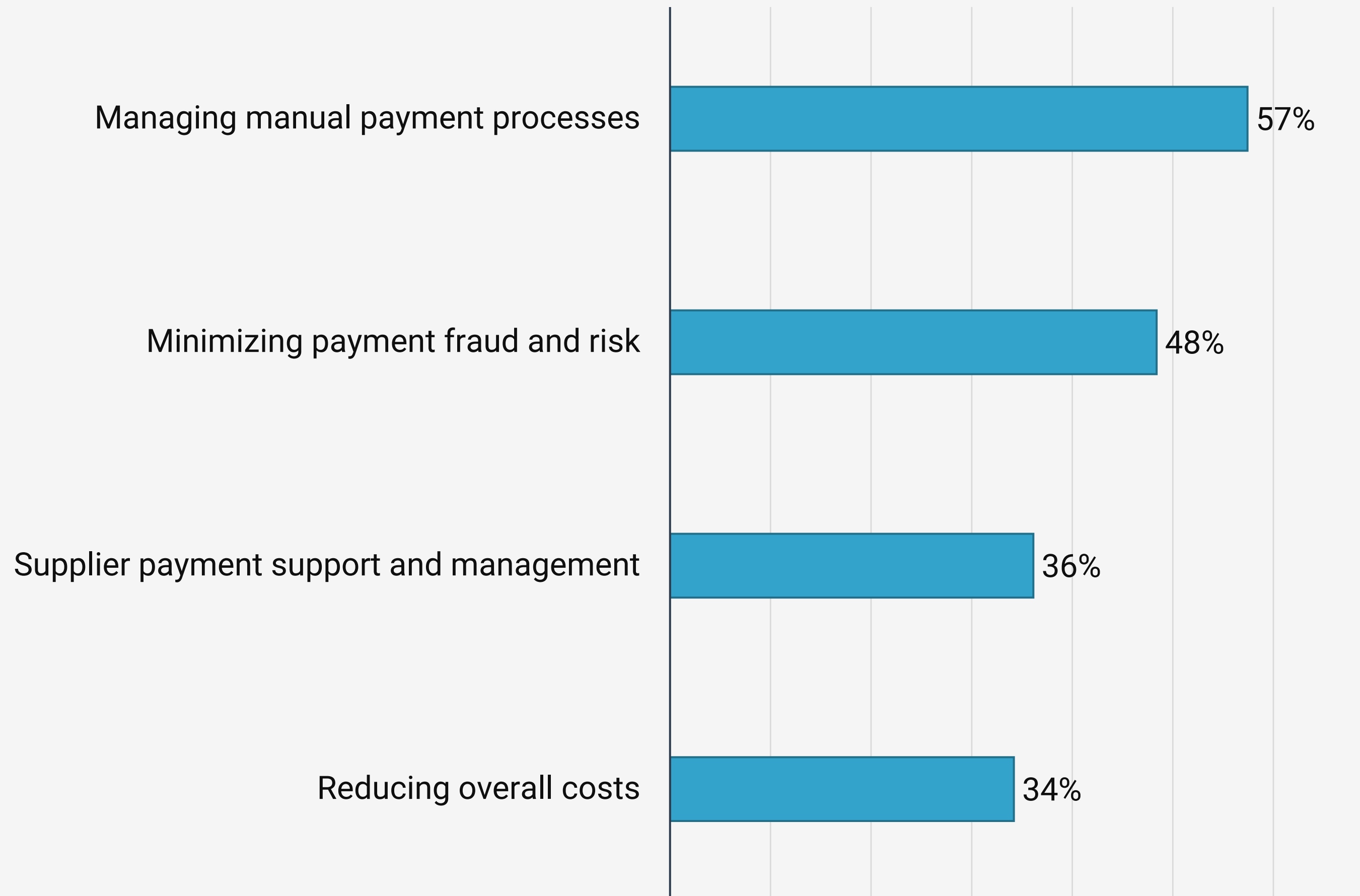
Automation of one or more AP processes from invoice processing through reconciliation



Payment verification to ensure details are valid and no duplicate invoice payments

POLL QUESTION

What are significant AP challenges to your organization?



CLOUD PAYMENT SOLUTION

TO SCALE

Payments are now one of the easiest things to automate to help AP scale. Today's cloud technology makes it much easier than most organizations imagine to manage a growing number of vendor payments without growing the accounting and finance departments.



FAST IMPLEMENTATION

Weeks, not months



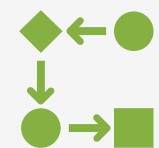
IMMEDIATE UPDATES

No IT effort required



INTEGRATION

With existing systems within your organization



SINGLE, STREAMLINED WORKFLOW

Less time spent looking for payment status



COST-SAVING

With the addition of credit card rebates



SCALED UP OR DOWN

The ability to scale quickly is what sets a cloud-based company apart from companies that rely on legacy.

CASE STUDY

Industry: Manufacturing & Distribution




Locations: 5, across 3 states

AP Staff: 4


Annual Revenue: \$175 Million

Payment Transactions: 20,000




CHALLENGES

-  99.9% of vendors being paid by check
-  Expensive AP costs to send payments
-  No IT resources to secure sensitive data

SOLUTION

-  Nvoicepay integration with Datacor's Chempax ERP

RESULTS

-  52 AP hours saved per month
-  \$44,000 in rebates the first year
-  570+ vendors enabled for electronic payment

FACTORS TO CONSIDER

IS YOUR PAYMENT PROCESS MANUAL AND INEFFICIENT?



How many members of your team are responsible for supplier payments?



How long does it take your team to reconcile payments?



Roughly how many hours does your team spend processing payment runs per month?



How available are your IT resources?



How often does your business make payment runs?

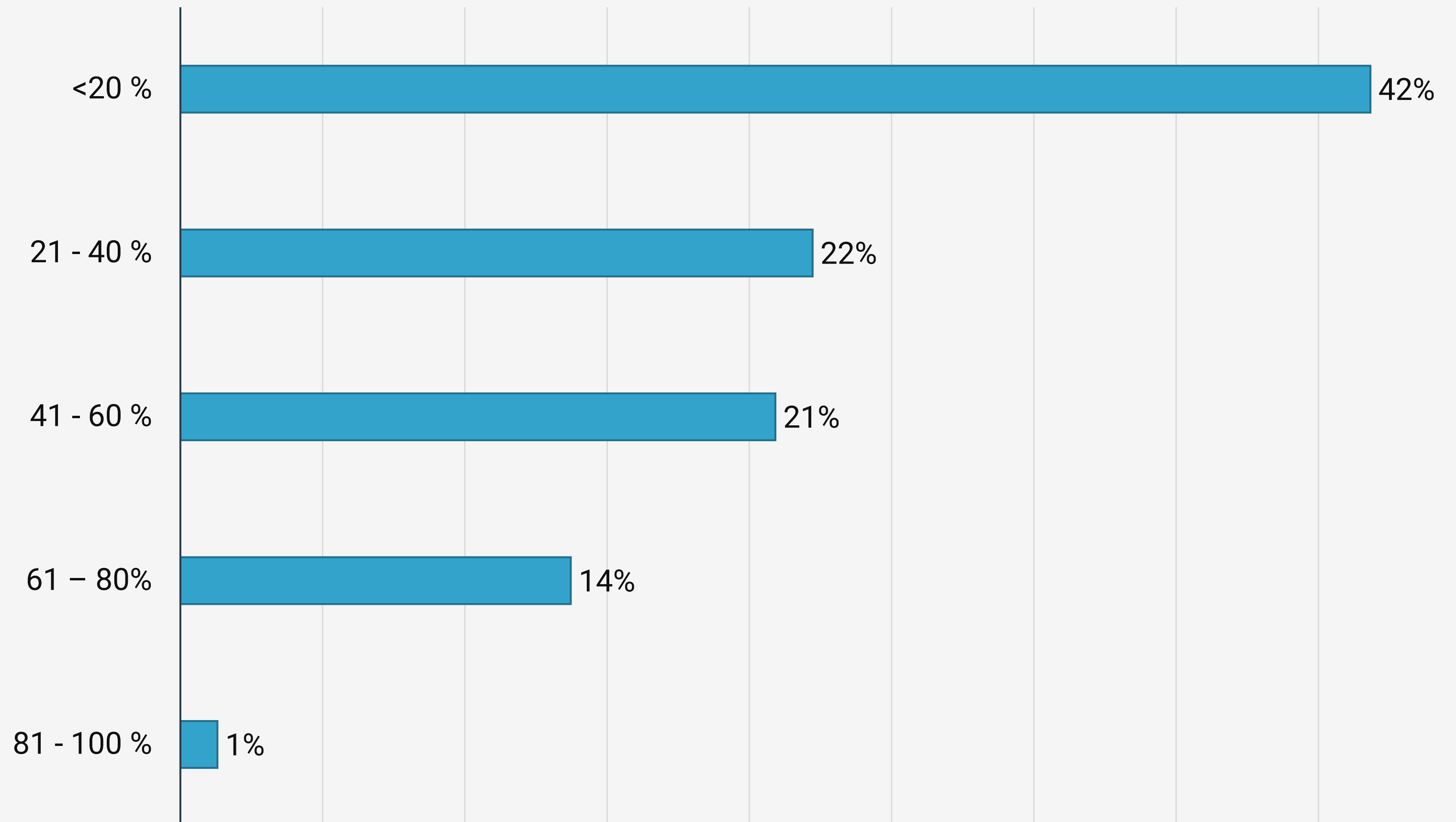


What percentage of your payments are international supplier vs. domestic?
Are your international payments part of your domestic payment run?



POLL QUESTION

What percentage of your organization's payments are made by checks?



KEY TAKEAWAYS



STRATEGIES

- Are your plans aimed at one-off issues or more comprehensive in nature?
- Where are you: Homegrown or on the solution Continuum?
- One-time mindset or continual improvement
- Stratification of vendors



UNDERSTANDING RESOURCES

- Capability of AP or Treasury to execute changes
- IT Resource flexibility
- What is the ask for any change?



FRAUD FRONT OF MIND

- Is your organization aware of the escalating threat?
- How can you reduce points of exposure?
- Can you shift liabilities for data management or financial loss?



EFFICIENCY

- What does “doing things right” mean for staff focus?
- How does efficiency support a reduction in duplicate payments and greater use of discounts?
- What would doubling your volumes require of staffing?

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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2021 INDUSTRY-WIDE SURVEY:
FOR CORPORATES & BANKS

STRATEGIC TREASURER Underwritten by Bottomline

B2B PAYMENTS

- Covers Payments Technology, Spend, Security, and More
- ~50 Questions; 15-20 Minutes to Complete
- Respondents Receive Extensive Results Report

CHANCE TO WIN:
One \$200 or One of Four \$100
Amazon.com Gift Cards

B2B Payments Survey

This research gathers valuable insights into the payment complexity, plans and pain points of treasury and finance professionals with regards to B2B payments and explores the use of solutions and tactics by those looking to optimize payment processes and efficiency.



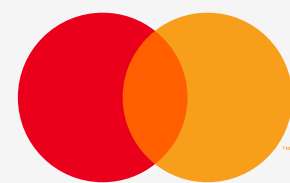
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