



# B2B Payments & WCM Strategies Survey

2018 Results & Key Findings

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**Bill Wardwell II**, *Bottomline Technologies*

# About the Presenters

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**Craig Jeffery, CCM, FLMI**

*Founder & Managing Partner*  
Strategic Treasurer

**Craig Jeffery** formed Strategic Treasurer LLC in 2004 to provide corporate, educational, and government entities direct access to comprehensive and current assistance with their treasury and financial process needs. His 25+ 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.



**Jeannette Bugg**

*Head of Global B2B Card & Payables*  
Bank of America Merrill Lynch

**Jeannette Bugg** and her team manage the end-to-end strategy and delivery for Bank of America Merrill Lynch's (BofAML) Business to Business (B2B) commercial card and payables offerings. Jeannette regularly works with clients, card networks, merchant acquirers, and Fintechs to establish innovative ways to build value for organizations and the payments industry as a whole. She joined BofAML in 2012, and has nearly 25 years of expertise regarding the financial needs of commercial, large corporate, and global businesses.



**Bill Wardwell II**

*VP Strategy & Business Development*  
Bottomline Technologies

**Bill Wardwell** is responsible for leading key strategic and business development opportunities for the Paymode-X Business Solutions team at Bottomline Technologies. Bill has more than 15 years experience in the technology and banking industry with a focus on business payments and working capital solutions. Prior to joining Bottomline Technologies, he lead Global Product Management at Bank of America Merrill Lynch with responsibility for their global B2B card and virtual payments products.

# Topics of Discussion



## → About the Survey

- *Notable Statistics*
- *Demographics*

## → Key Findings

- *Gauging B2B Payments Complexity*
- *Payables & Receivables: Efficiency Highly Prioritized*
- *Corporate Card Programs See Heightened Focus*
- *Corporate Interest in Rebates Grows*
- *Security Still Top of Mind*
- *Corporate vs Bank Technology Perspectives*
- *B2B Payments: The Good, the Bad, & the Ugly*
- *Bank Payables Services: How Do Corporates Feel*

## → Final Thoughts

# About the Survey





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## 2018 B2B Payments & WCM Strategies Survey

### SURVEY PLANNING & ANALYSIS CYCLE

2018

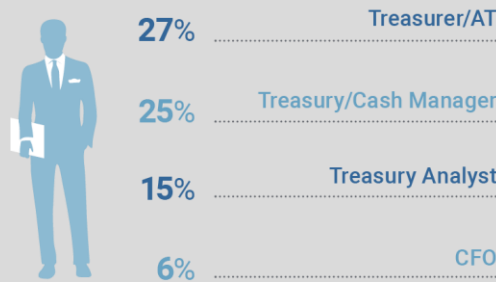


-  ~275 respondents
-  15+ industries represented
-  100+ questions
-  2<sup>nd</sup> consecutive year of research

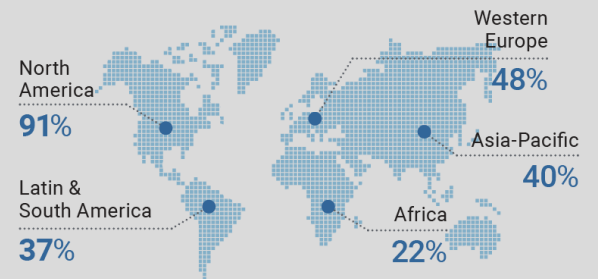
### CORPORATE TREASURY STAFF SIZES



### TOP CORPORATE RESPONDENT ROLES



### RESPONDENT REGIONS OF OPERATIONS

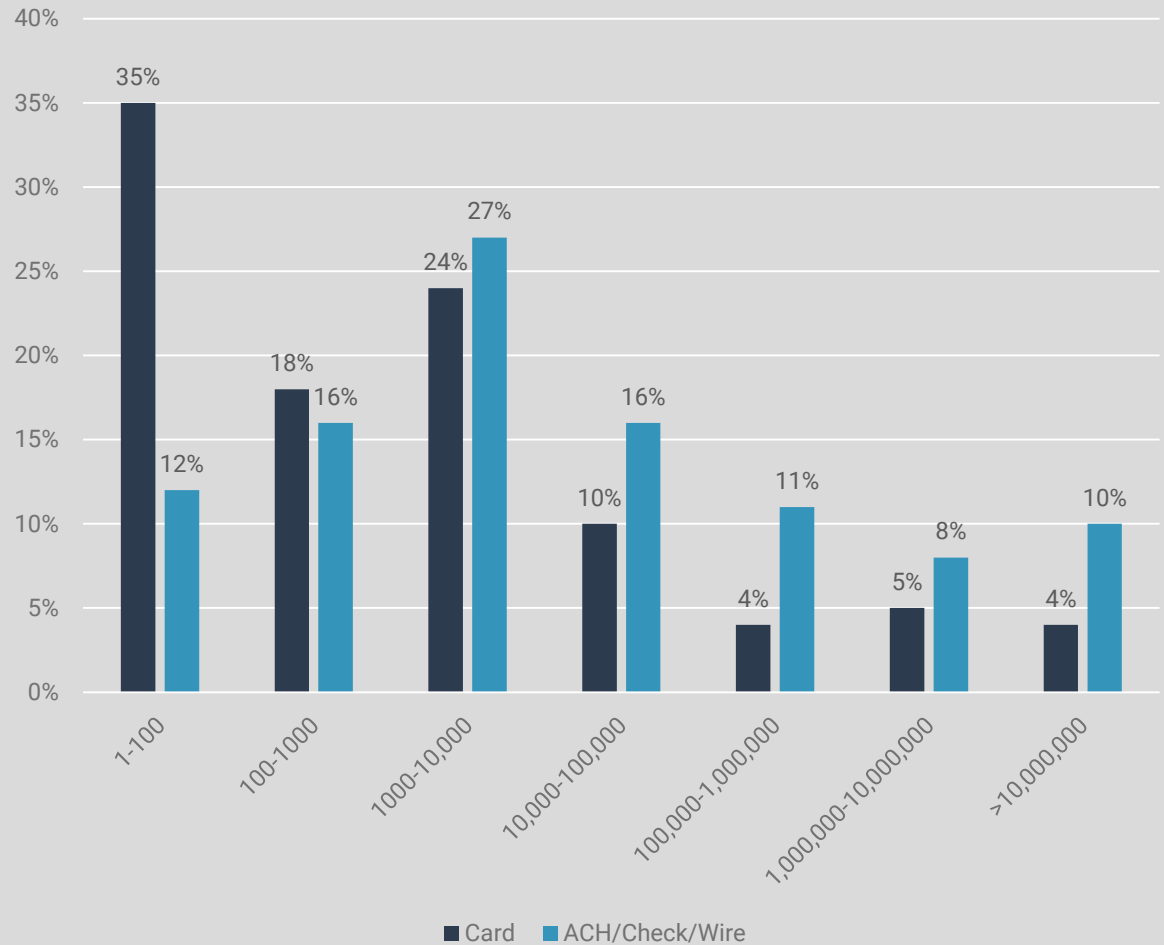


# Gauging B2B Payments Complexity

## Monthly Payment Volumes

- Although results vary slightly from year to year, we consistently see ~50% of organizations making 10,000+ payments globally every month.
- **ACH/Wire/Check**
  - **45%** make more than 10,000 payments monthly
  - **18%** make more than 1 million
- **Card**
  - **47%** make more than 1,000 payments monthly
  - **9%** make more than 1 million monthly

## Corporates: What is your approximate volume of payments generated globally per month?



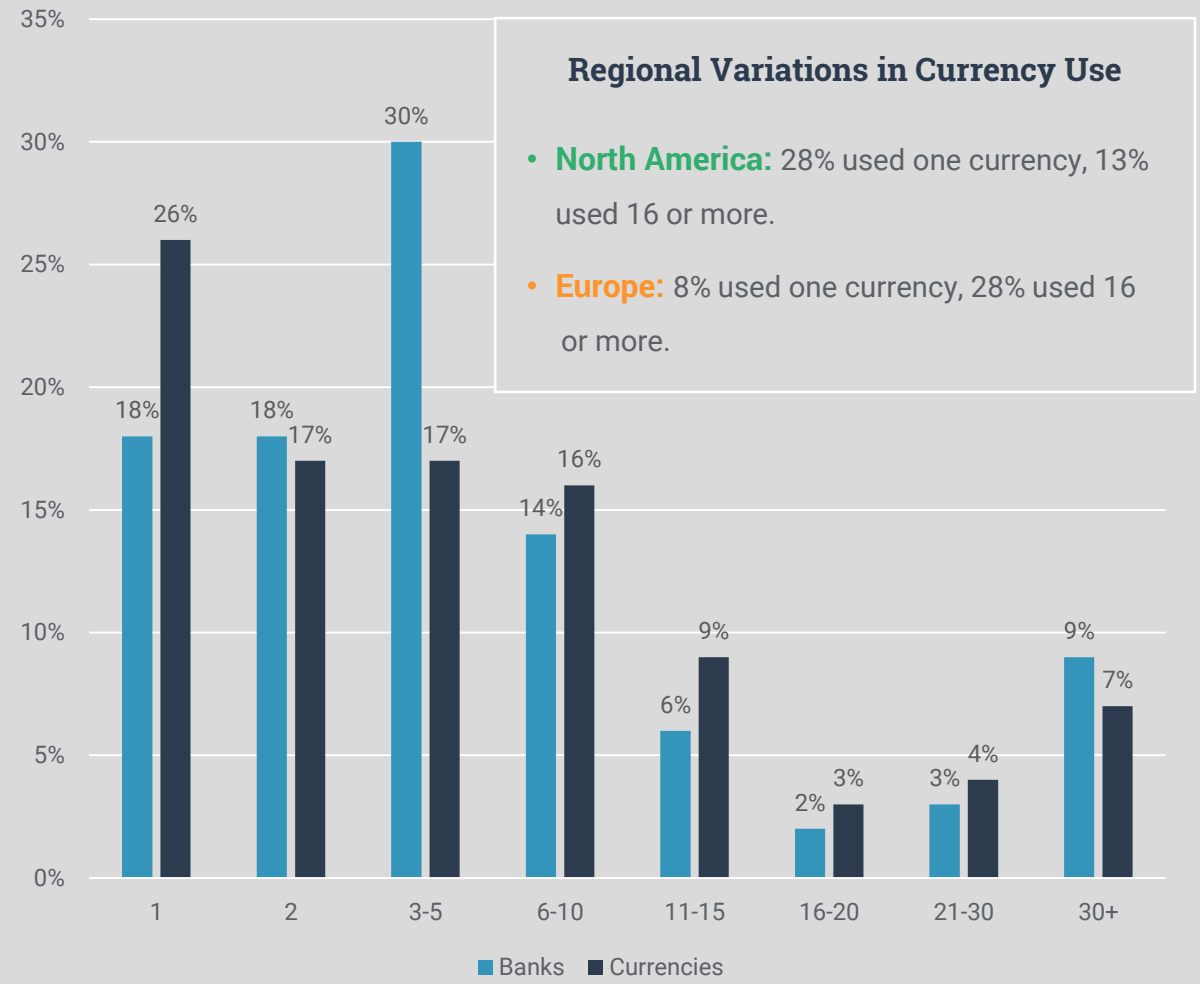


# Gauging B2B Payments Complexity

## Currency & Bank Usage

- International business typically necessitates the use of multiple bank relationships for payment generation, as well as the use of multiple currencies.
- **Bank Use**
  - **34%** of corporate respondents use 6+ banks for payment generation.
  - **12%** use more than 20
- **Currency Use**
  - **39%** of corporate respondents regularly generate payments in 6+ currencies
  - **11%** use more than 20

Corporates: How many \_\_\_\_\_ do you regularly generate payments with?

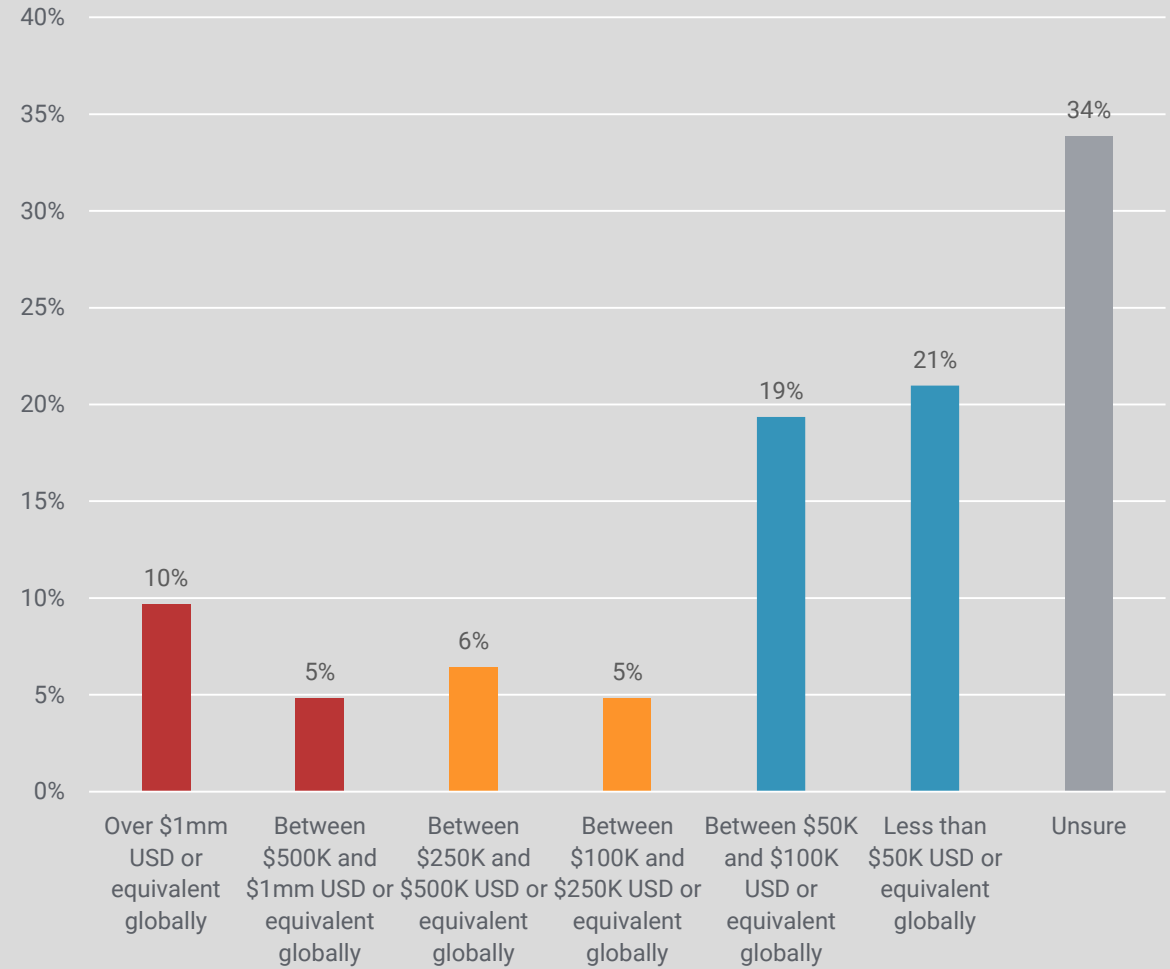


# B2B Payments: Corporate Spend Plans

## Payments Spend

- Over 1/4<sup>th</sup> of corporate respondents plan to spend in excess of \$100k on payments technology in the next year.
- Unsure responses accounted for roughly 1/3<sup>rd</sup> of the population, making it difficult to estimate exact spend figures.
- Overall, EMEA respondents showed a higher intent to spend over the next year compared to their North American counterparts.

**Corporates: How much does your company plan to spend on payment technology in the next year? (excluding staff costs)**

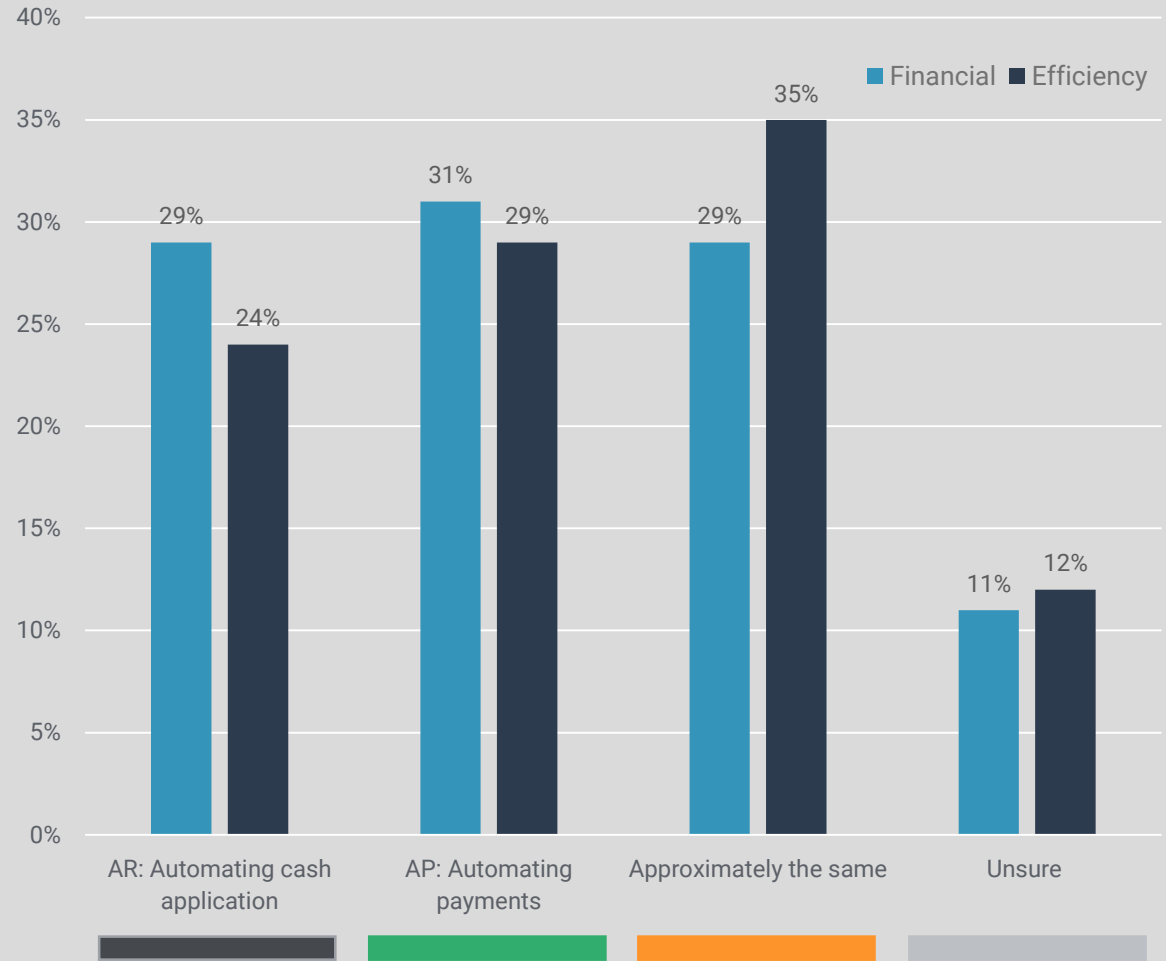


# O2C & O2P: Efficiency is Highly Prioritized

## Financial & Efficiency Benefits

- Despite “cost center vs. profit center” connotations, the automation of the receivables process is just as important to practitioners as automating payables.
- **Receivables: Cash Application**
  - **29%** see more importance financially, **24%** for efficiency.
- **Payables: Automating Payments**
  - **31%** see more importance financially, **29%** for efficiency.
- **Payables & Receivables Equality**
  - **29%** see equal importance financially, **35%** for efficiency.

**Corporates: From a treasury perspective, where is the greatest financial/efficiency benefit?**

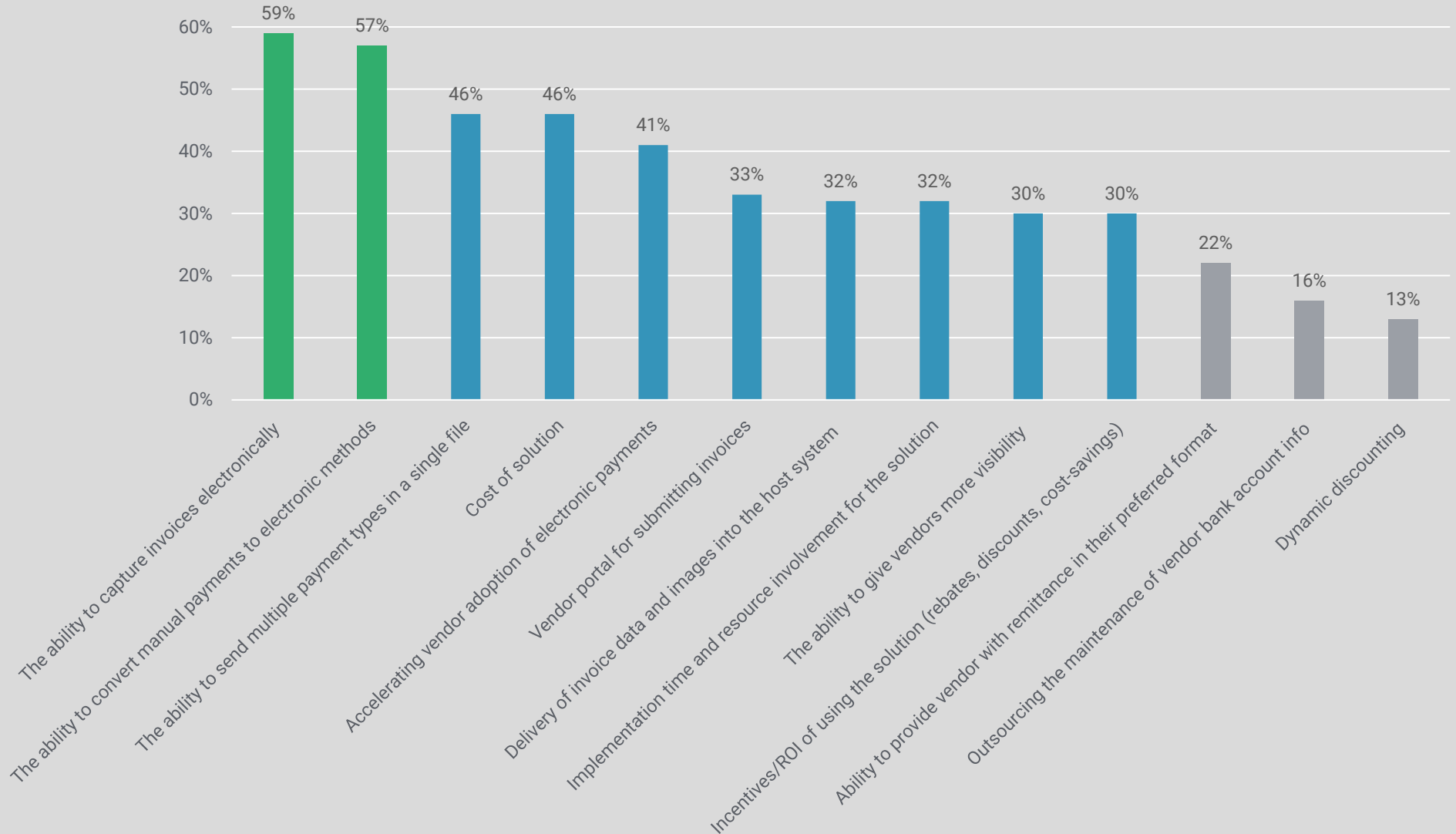




# O2P & O2C: Efficiency is Highly Prioritized

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**Corporates:** When contemplating an accounts payable automation solution, which of the following are most important to your organization? (Select all that apply)



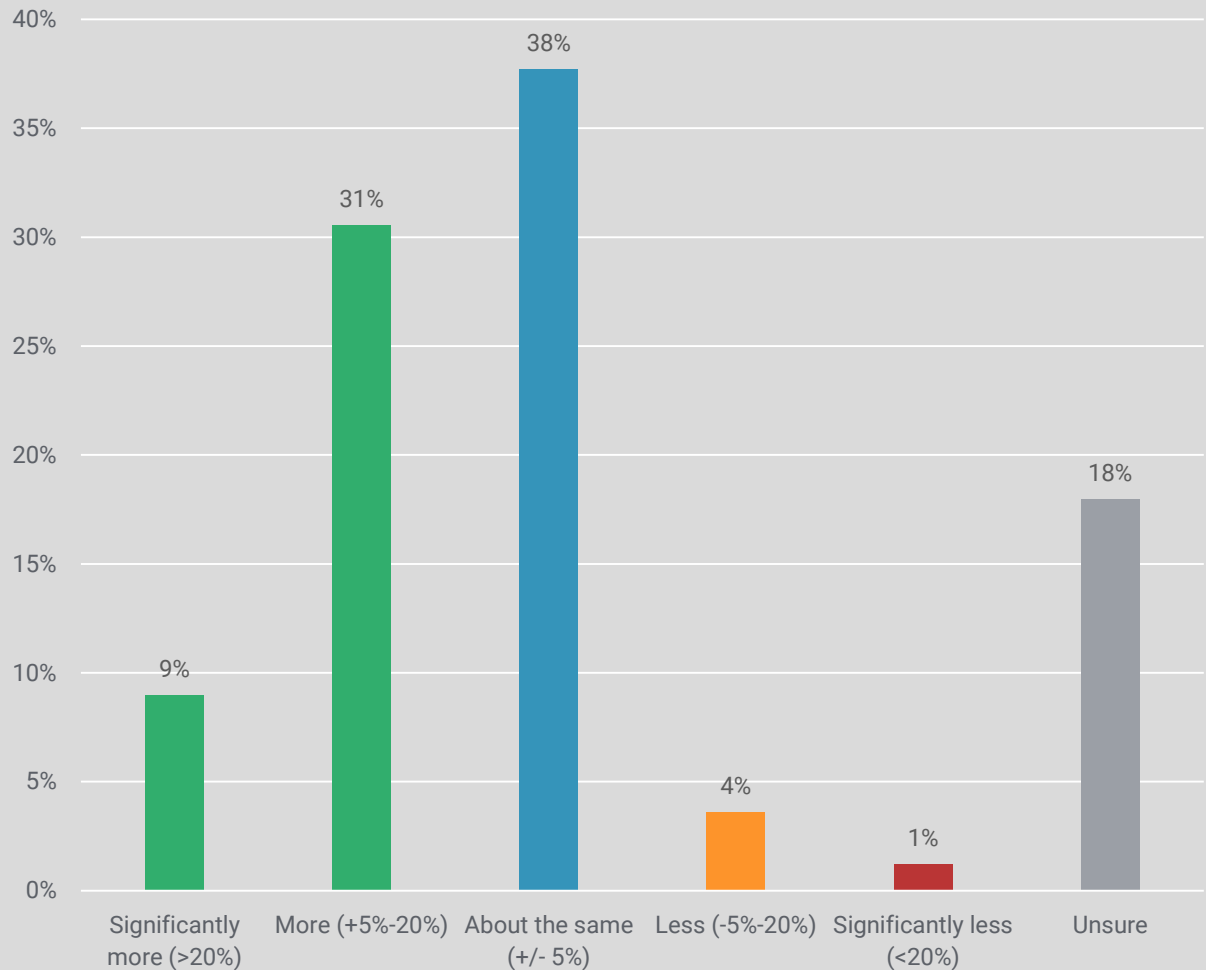
# Corporate Card Programs See Heightened Focus

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## Corporates Planning to Invest in Cards

- **78%** of corporates plan to spend just as much or more on card programs.
- **40%** plan to spend more or significantly more.
- Just **5%** plan to spend less.
- This makes for **8x more** corporates planning to increase card spend vs. those planning to spend less.

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



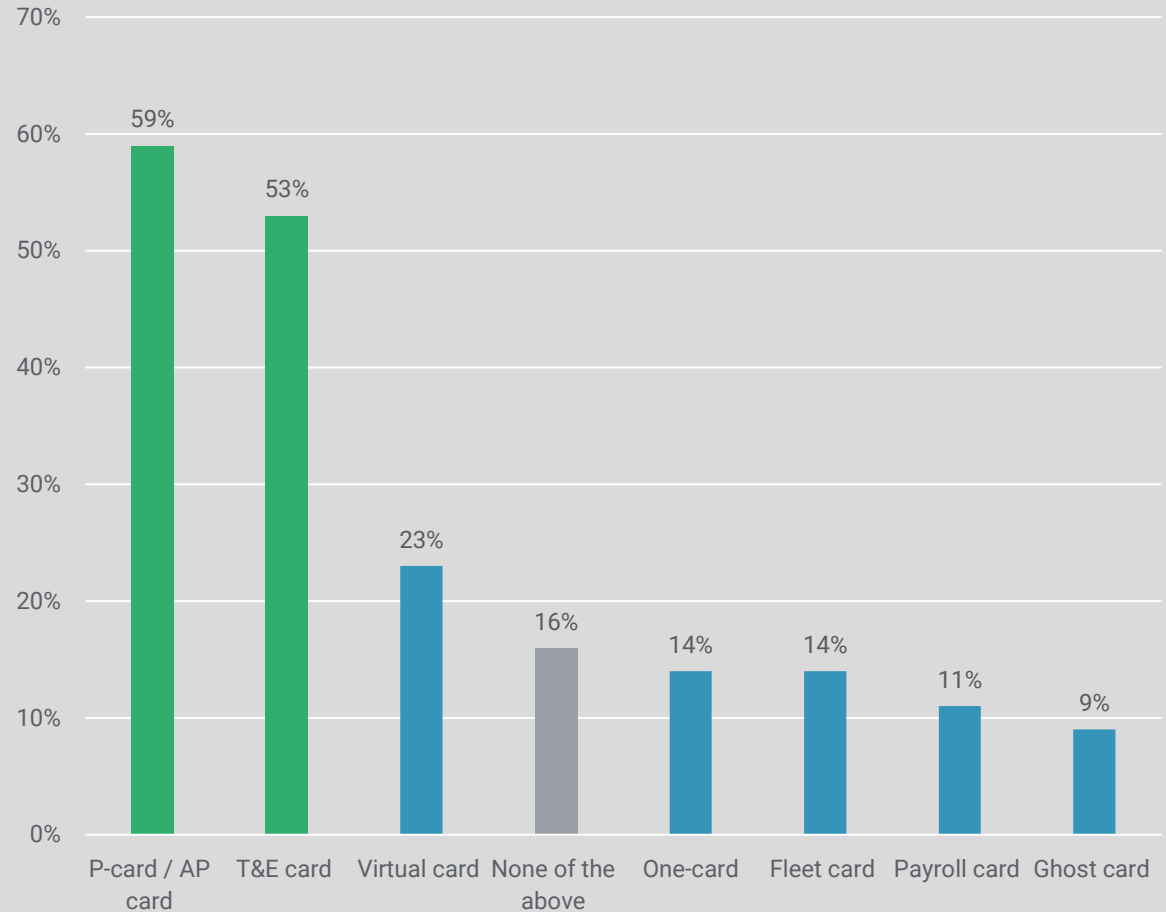
# Corporate Card Programs See Heightened Focus

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## Card Programs by Popularity

- **P-cards and T&E cards** were the only two types of card programs in use by over half of the corporate respondent pool.
- **EMEA Dominates use of One-Cards.** Nearly 3x more EMEA respondents were using all-in-one cards compared to North America.
- **North America Leads on P-Cards and T&E Cards.** It could be that EMEA respondents are bundling these card services into a single program (i.e. One-card)

**Corporates: Which card payment products does your organization use? (Select all that apply)**

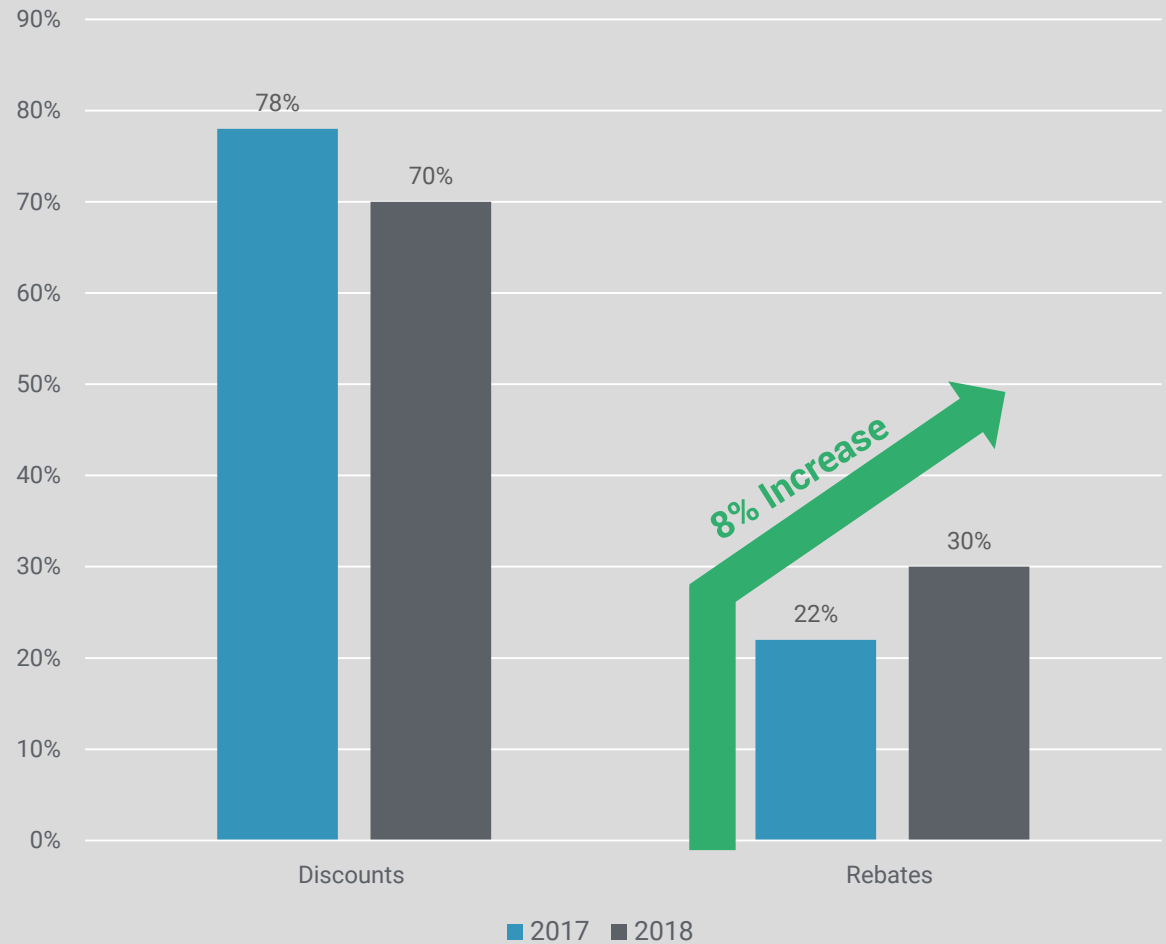


# Corporate Interest in Rebates Grows

## Rebates on the Rise

- Corporate preferences for rebates compared to discounts grew by 8% from last year
- The rise in optimism towards rebate programs has gone hand-in-hand with a rise in the use of card services.
- Currently, **41%** of corporates indicate they **always or often earn rebates on their payables.**

Corporates: Regarding your payables, which is preferable?

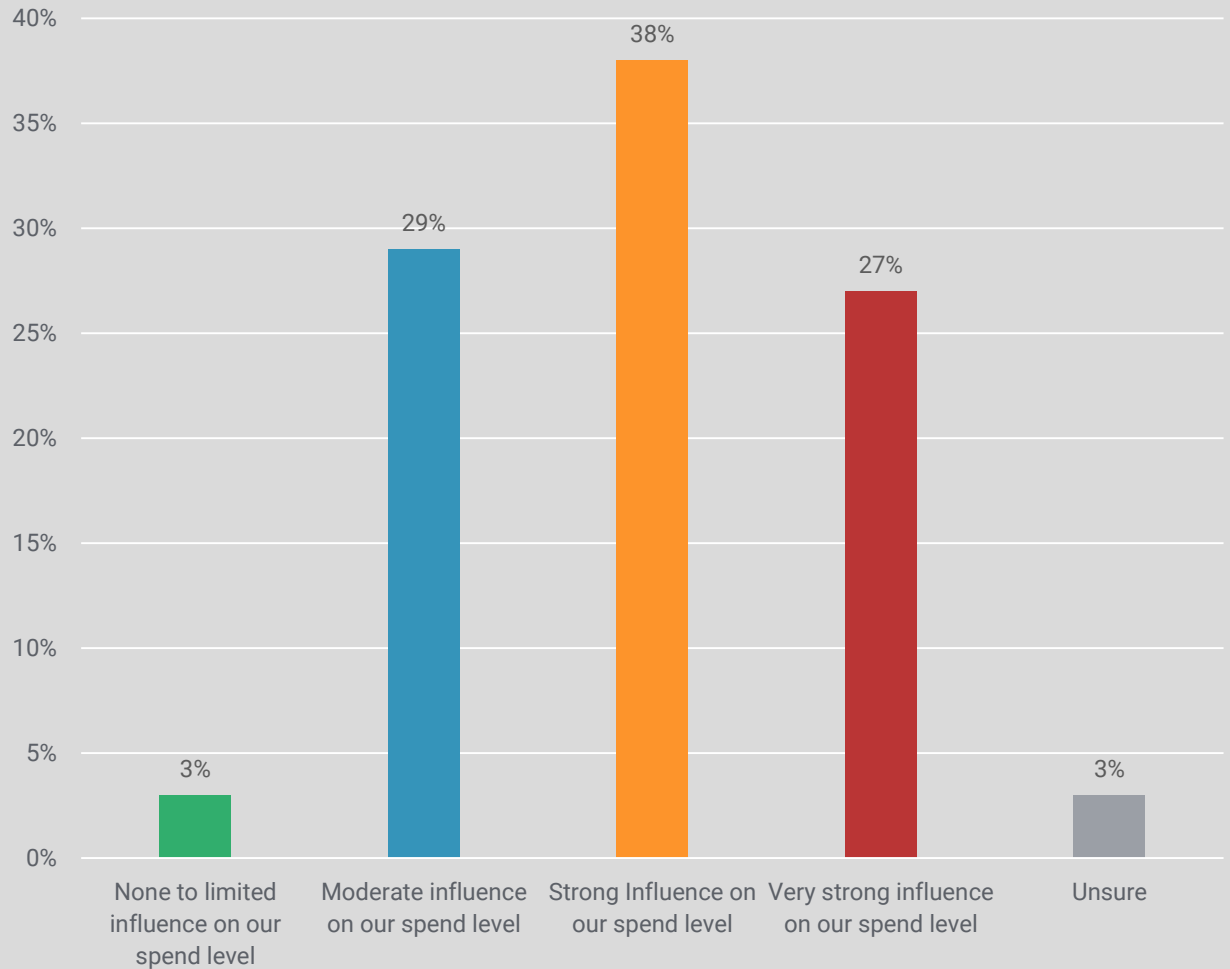


# Security Concerns Remain Elevated

## Security Concerns Impact Spend

- In today’s environment, security concerns have a significant impact on spend plans for corporates.
- 65% of corporates (2/3rds of the entire population) indicated security has a strong or very strong influence on planned tech spend.
- Only 3% indicated security has small or no influence.
- Backs up data from 2018 Treasury Fraud & Controls Survey with heavy corporate focus on security

**Corporates: What influence do security concerns have on your current or planned technology spend?**

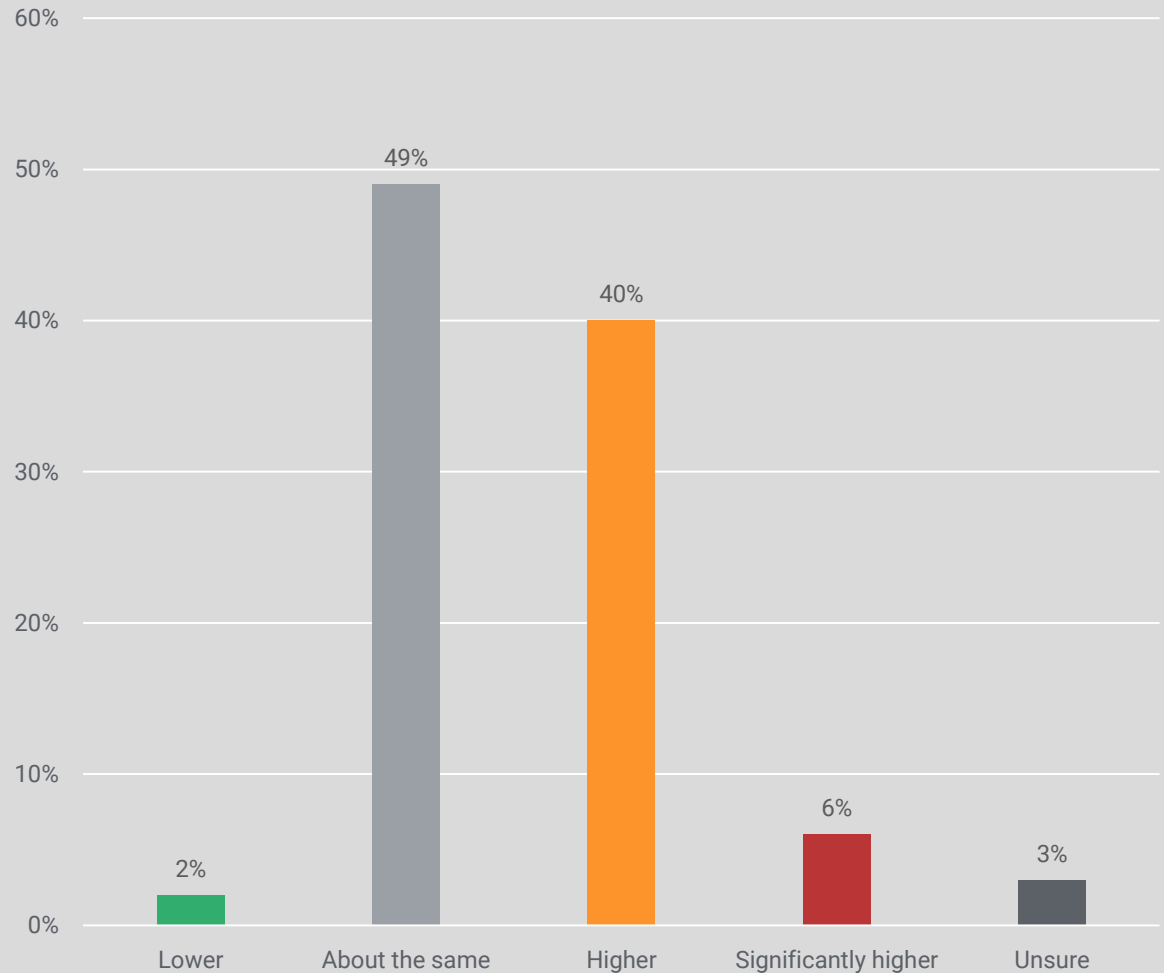


# Security Concerns Remain Elevated

## Security Concerns vs. Last Year

- Nearly half the corporate treasury environment has seen their payment security concerns increase from the previous year.
- This makes **23x more** companies with heightened security concerns vs. those with lower concerns.
- **49%** held roughly the same level of concern as last year.

**Corporates: Our payment security concerns, as compared to the prior year, are:**



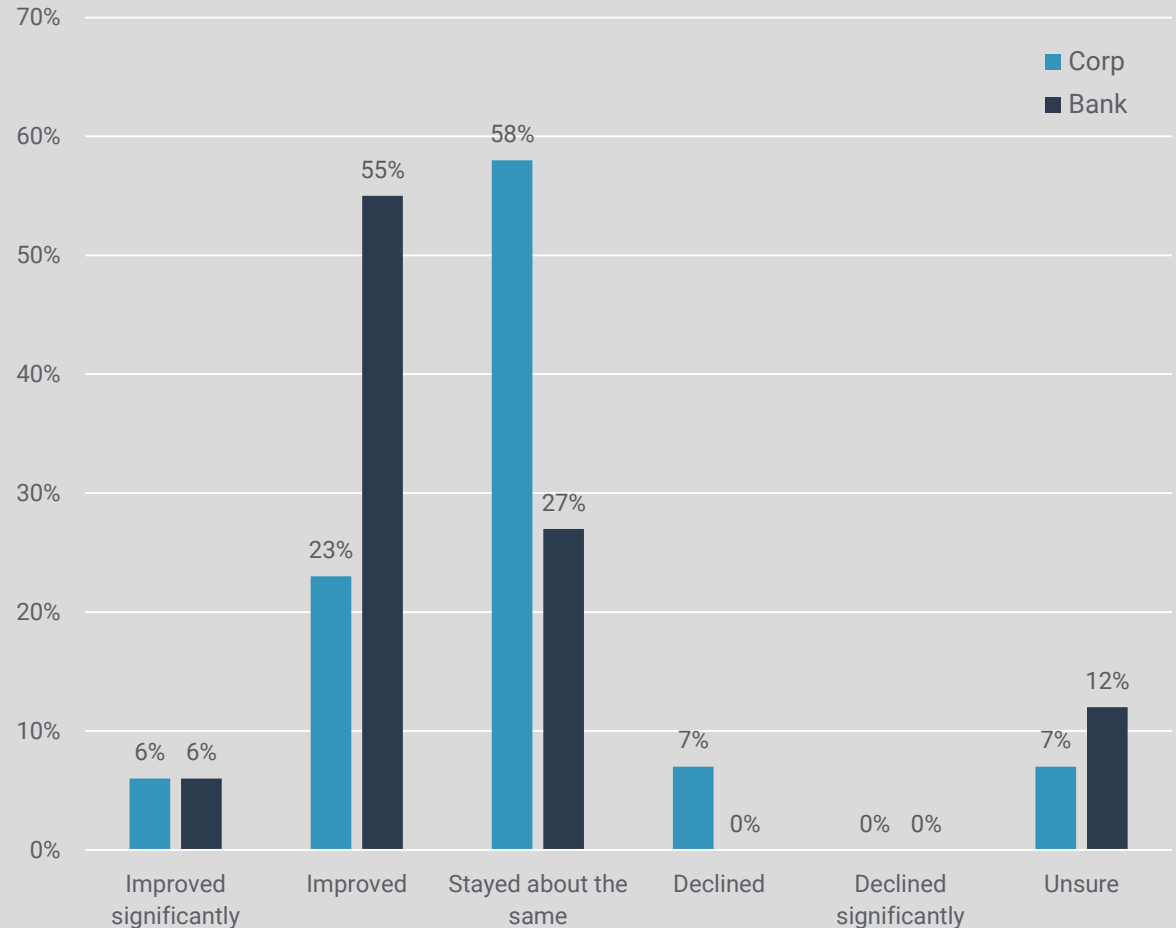


# Corporate vs. Bank Technology Perspectives

## Comfortability with Mobile

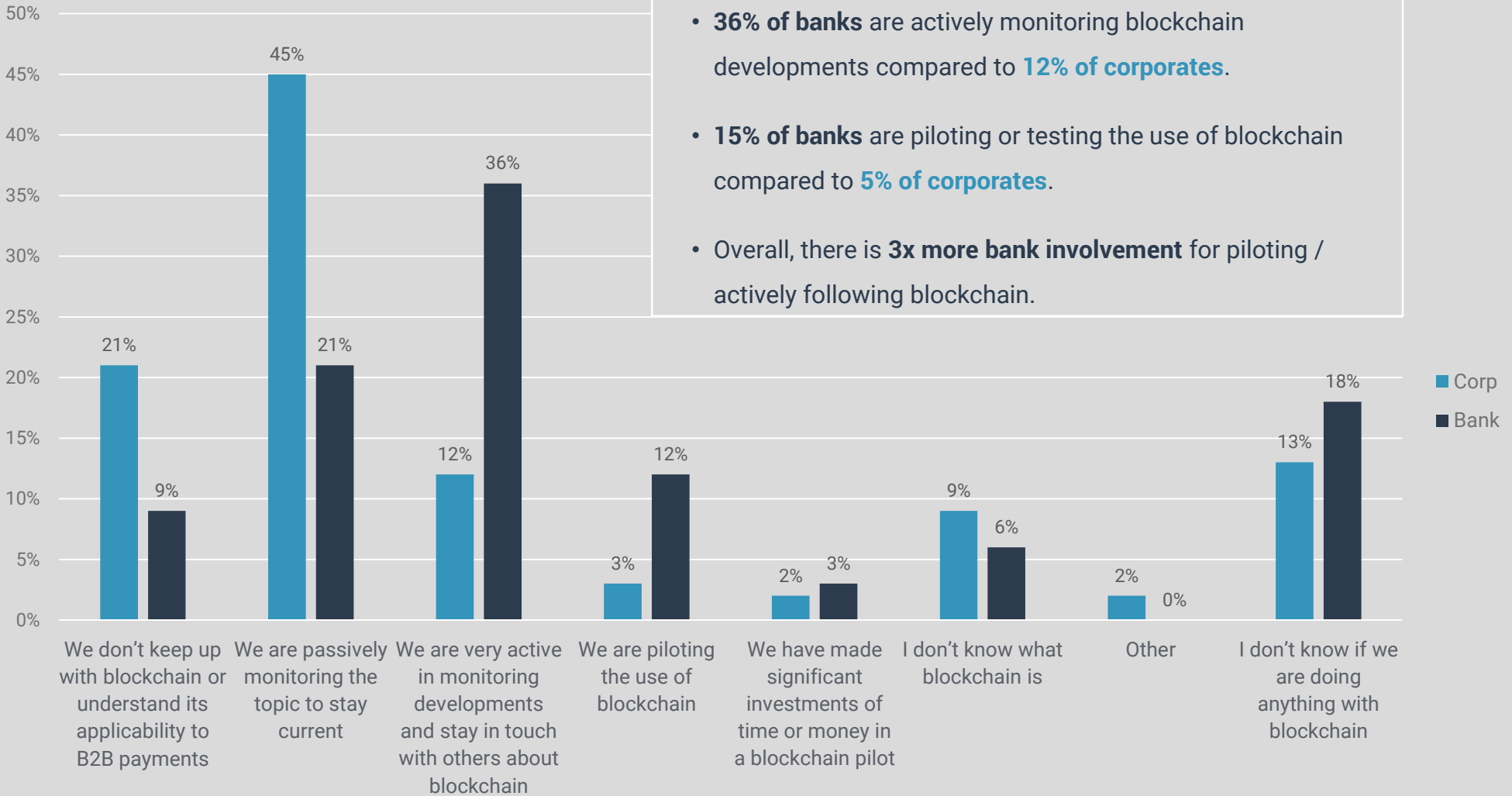
- 29% of corporates and 61% of banks indicate their comfort level with B2B payments has improved over the past year.
- While we continue to witness growing optimism, the point of inflection has yet to be reached and the overall corporate perspective on this topic is still one of caution.
- However, with 60% of corporates finding it important for their bank(s) to be investing in mobile B2B payments functionality, we expect perspectives on mobile payments to continue improving.

Please indicate how your comfort level with mobile payments for B2B transactions has changed over the past year.



# Corporate vs. Bank Technology Perspectives

## Regarding the potential use of blockchain for B2B payments: (Select all that apply)



# B2B Payments: The Good, The Bad, & The Ugly

## MOST PREFERRED PAYMENT TYPE:

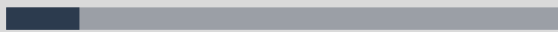
ACH: **54%**



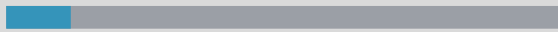
Card: **22%**



Wire: **12%**



Check (Cheque): **11%**



## LEAST PREFERRED PAYMENT TYPE:

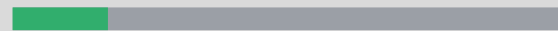
Check / Cheque: **41%**



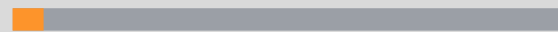
Wire: **35%**



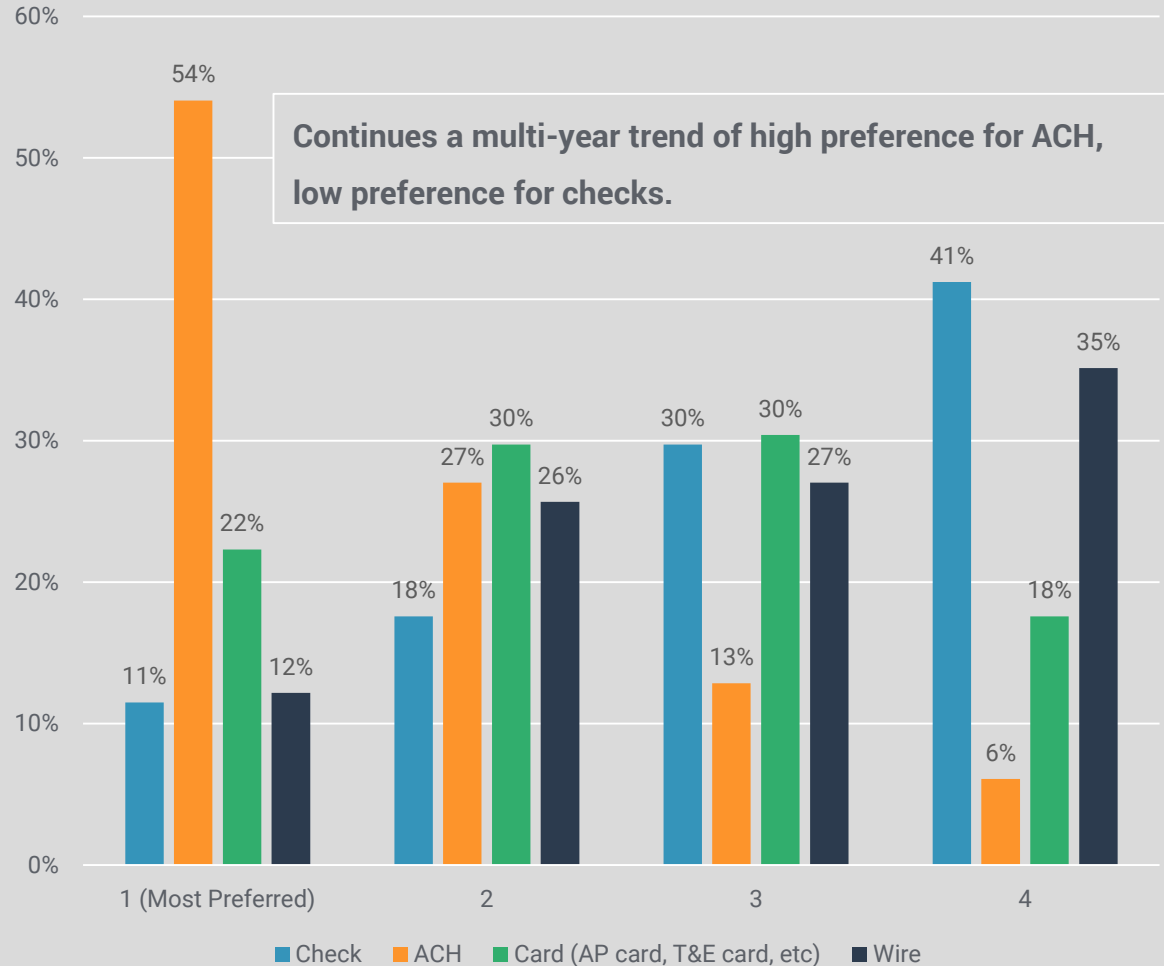
Card: **18%**



ACH: **6%**



**Corporates: For MAKING your organization's B2B payments, rank the following methods with 1 being most preferred and 4 being least preferred.**



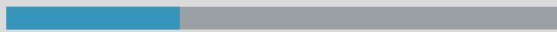
# B2B Payments: The Good, The Bad, & The Ugly

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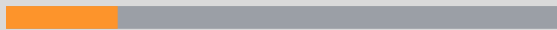
## B2B Faster Payments Use

What payment types are you currently using or planning to use?

Same Day ACH: **33%**



Real Time Payments (RTP): **21%**



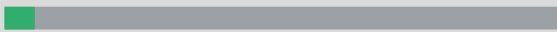
SWIFT gpi: **13%**



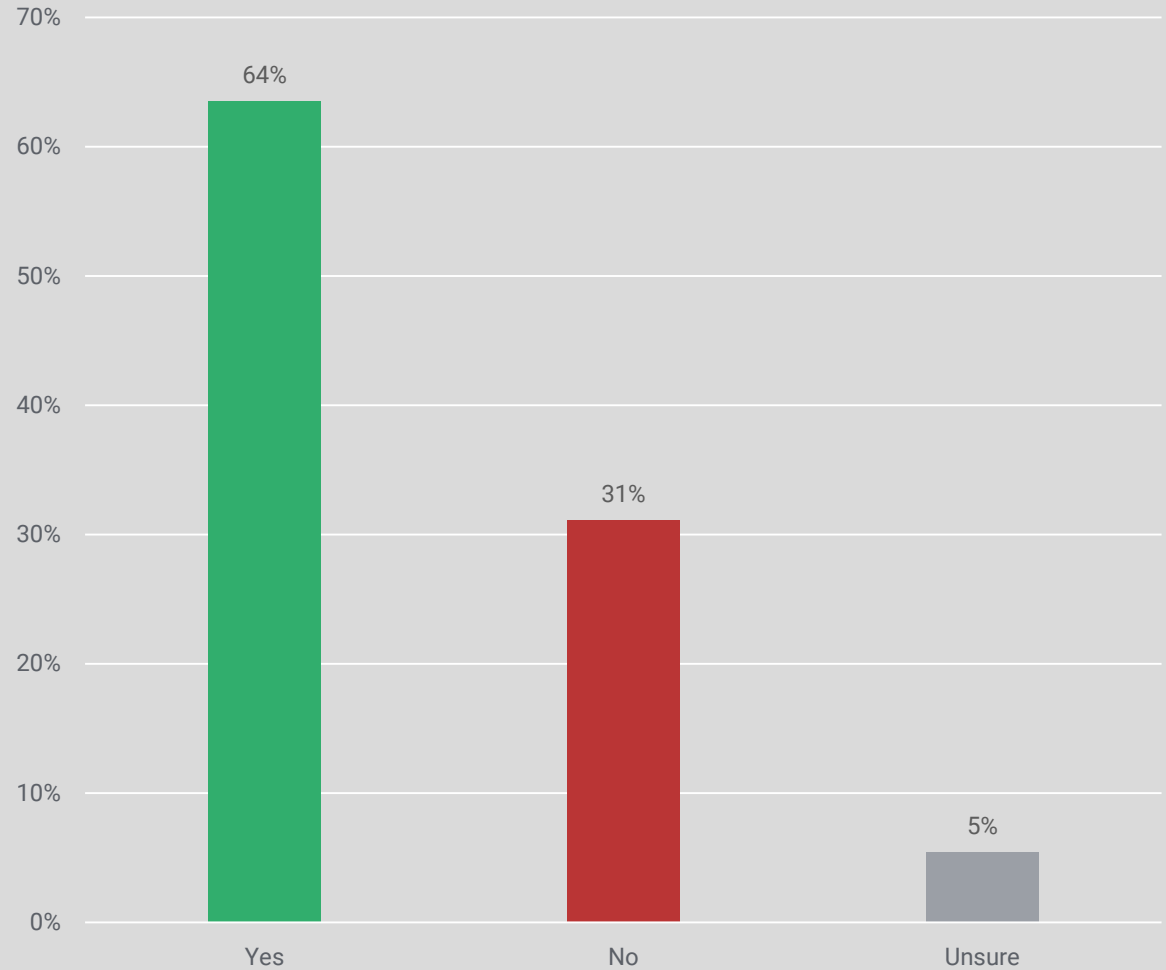
EBA Clearing: **10%**



Blockchain: **5%**



## Corporates: Are you currently using Same-Day payments and/or other immediate payment methods?



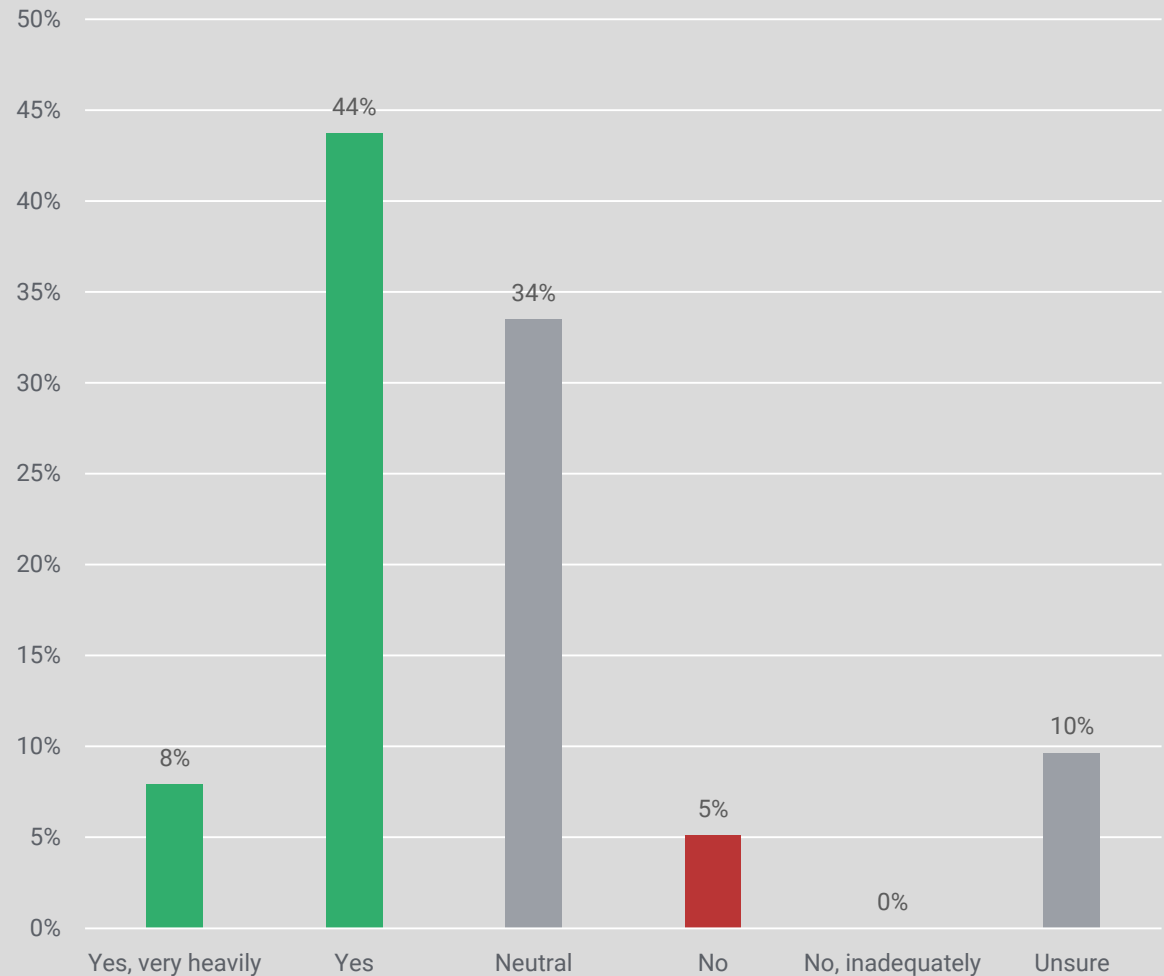
# Bank Payables Services: How do Corporates Feel?

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## Corporates Satisfied on Bank R&D

- **52%** of corporates believe their banks are investing in innovative B2B payables offerings, compared to just **5%** that say no.
- We continue to witness **banks leading their corporate clients on development of items like mobile payment apps and blockchain.**
- In evaluating overall corporate perspectives on bank services, system integration stands out as the main area for improvement. However, these processes should see widespread enhancement with the arrival of PSD2.

## Corporates: Do you believe your bank(s) are investing in innovative B2B payables offerings?



## Action Items for Treasury Practitioners



**Corporates - How Efficient are your Payables & Receivables Cycles?** As a growing number of firms look to automate their invoicing and payables processes and as vendor adoption of such technologies and services improves, now might be a good time to begin considering similar initiatives at your company.



**Corporates - How Can You Further Optimize Working Capital?** Clearly, there is a strong preference for electronic instruments over paper-based methods, with ACH as the clear frontrunner. However, other payment methods such as cards can provide valuable advantages in the form of rebates and other cost-savings or cash-back opportunities.



**Banks - Look to Steward your Corporate Clients.** When it comes to new payments technologies and services, corporates are relying on their banks in a major way. Because most practitioners do not have time to keep up with the pace of innovation, they instead depend on banks to drive this innovation and then offer enhanced services to them.



**Banks - Corporate-to-Bank Connectivity Needs Further Inspection.** While corporates indicated high levels of satisfaction with their bank services in practically every category, the area of system integration needs more attention.



# Request the Full Report Now



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**VP Strategy & Business Development**

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