

BEST PRACTICES FOR IMPLEMENTING A VIRTUAL CARD PROGRAM

Internal strategies to ensure a successful virtual card program for vendor payments



*Best Practices for
Implementing a
Virtual Card Program*

Getting Underway

Congrats! You've convinced your executive team to implement a virtual credit card program to pay your suppliers electronically. That is something to celebrate! You have taken the first step in automating your AP processes, improving your profit margin, and reducing paper checks. Now it's time to get started on implementing your program so you can start reaping the rewards.

It takes a village to operate a successful virtual card program, and you're going to need help from your entire organization far beyond implementation. In order to optimize vendor enrollment, rebate strategy, and competitor benchmarking, you need to manage your virtual card program from year one to year fifteen.

By implementing best practices or a change-management strategy, you're much more likely to attain your program goals and earn more rebates.

Designate an Executive Sponsor

*Rely on Strong
Leadership*

Before kicking off your virtual card program to the entire organization, you need to get all of your ducks in a row. The first step is designating an executive sponsor--typically a senior leader who is committed to leading the organization toward the defined goals and objectives of your program. The executive sponsor will hold people accountable for a quick implementation and ongoing results. Have your executive sponsor launch the program through a company-wide communication to validate that the project is a salient one.

The executive sponsor should be a senior leader who is committed to leading the organization toward the defined goals and objectives of your program.

Designate an Executive Sponsor

The executive sponsor will also play a key role in your vendor enrollment strategy. You can leverage their position in order to contact strategic high-spend vendors and sign vendor campaign letters. Having executive support is important, and will help ensure you get the long-term backing your program needs.

Identify a Dedicated Program Owner

Next, identify a dedicated virtual credit card program owner. Typically a leader in the AP department is a natural fit, because they're familiar with the day-to-day pains of the AP shop and knowledgeable of internal processes.

Goals of the program owner



- Serve as the internal project manager for implementation and initial ramp-up.
- Be the designated point of contact for the provider-of-choice.
- Discover supplier relationships by researching and identifying potential accounts who will accept virtual card.
- Build rapport and educate vendors about program features and benefits in order to increase enrollment and improve overall satisfaction.
- Create goals and monitor plan effectiveness periodically while continually presenting new and innovative ideas.
- Identify trends and develop metrics in supplier satisfaction, program growth, and attrition.
- Work across the organization (business units, procurement, treasury, and accounts payable) to educate employees regarding the value of AP card payments.

Set Program Goals

Setting program goals is a critical part of your virtual card implementation. Not only will it motivate your vendor enrollment and program buy-in efforts, but it will also provide metrics against which you can consistently benchmark yourself. You should set specific, time-bound goals, such as a percentage of spend enrolled or monthly rebate amounts. A good starting point is to aim for 3-5% of your organization's annual revenue.

Time-specific goals can provide metrics and motivation



Incorporate these goals into your organization's budget, and ensure that the goals are widely distributed to all participating departments and functions. Keep these departments cognizant of your current program progress, and reward them for attaining goals as they are reached. This will motivate procurement to build vendor relationships as the program starts, and with every new vendor.

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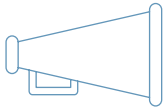


Promote and Launch the Program Within Your Organization

Your AP department is not the only business unit that has strong relationships with vendors, which is why virtual cards should be a company-wide effort. Hold a cross-functional virtual card kickoff that includes the executive sponsor, your CFO, accounting, and procurement.

Branding your program with a logo is a good way to identify and explain the program across the organization. You should also establish a presence on your corporate intranet for your program as an easy way to keep your organization informed.

Ideas for keeping everyone in the loop



- Comprehensive explanation of the program and its benefits.
- Frequently Asked Questions and AP definitions.
- Annual program goals and progress toward meeting them.
- New vendor set-up form/contract/agreement that includes electronic pay as a preferred payment method.
- Key vendors already participating in the program.
- Check-stuffer letter, new vendor form, negotiation checklist, and sample vendor letter.

Actively engaging all of the departments will align goals across all departments and ensure cohesiveness as the program grows.

Promote and Launch the Program Within Your Organization

Another idea to keep departments engaged is to pass the rebate back to the particular business unit associated with the specific vendor who generated the revenue. This allows them to see the tangible reward of their enrollment efforts. However, this often depends on your organization's structure and philosophy. The bottom line is that actively engaging all of the departments will align goals across all departments and ensure cohesion as the program grows.

A successful implementation is key to your virtual card program. You need to ensure the executives and the entire team are on board from the onset of the program. Designating an executive sponsor and a program owner to create goals and promote the program internally should be your first steps after signing on the dotted line. It is their responsibility to keep the appropriate teams aware of the progress of the program. This means communicating how many vendors are enrolled, how many rebates they have earned, and where that money is going.



About Nvoicepay

Nvoicepay transforms the way enterprises pay their domestic and international suppliers. Through our intelligent payment automation platform, we enable organizations to pay 100% of their invoices electronically in the same unified workflow. The solution is designed from the ground up to handle enterprise complexity with ease while meeting industry-leading security standards. With Nvoicepay, finance teams win through dynamic supplier activation, superior supplier services, and remarkable results, unlocking value in the payment process.

As a division of Fleetcor Technologies, Nvoicepay is part of one of the largest payment companies in the world, and is the second-largest commercial issuer of Mastercard in North America. Our 8,000 employees partner with companies in 53 countries to manage more than 1.9 billion fleet, corporate purchasing, payroll, and healthcare transactions annually.

Learn more at nvoicepay.com and contact Nvoicepay at 877.974.1750 or contact@nvoicepay.com

This white paper was revised and updated in partnership with Comdata, a fellow Fleetcor division.