



The Executive's Guide for Evaluating Electronic Payment Solutions



A CFO and Finance Executive's Guide for Evaluating Electronic Payment Solutions

As the opportunity to migrate away from paper-based accounts payable processes to more efficient AP processes becomes clear and attainable, accounting teams are making the transition a top priority. By removing paper checks from AP processes, today's enterprises are reducing payment processing costs, streamline AP processes, and gain greater visibility and control over cash flow.

Innovations in business-to-business (B2B) payment solutions can provide these substantial, lasting benefits to the bottom line. However, finding the right ePayments solution that delivers on the promise remains a challenge. Many providers position their solution as automating payables, yet the results fall short. In many cases, they create inefficiencies and increase workloads for accounting staff.

This white paper provides CFOs, senior finance executives, controllers, and accounts payable teams with guidance for evaluating electronic payment solutions. It explores common issues to avoid when enabling electronic payments, and provides a checklist for identifying the right ePayment solution for the enterprise.

Common Pitfalls

Businesses have pursued AP automation for decades. Many enterprises with AP automation have been left with unnecessary complexity, limited payment flexibility, increased workloads, and the unpleasant reality that the majority of AP payments are still made with print checks. Only the largest enterprises for whom the high cost and added complexity was worth the investment have successfully transitioned to electronic payments.

Technology limitations, along with the inability of financial institutions to deliver required enablement services to businesses, have prevented the widespread adoption and success of ePayments. Solutions have evolved and now enable enterprises of all sizes to successfully make 100% of their payments electronically. For enterprises evaluating ePayment solutions, understanding the common issues and pitfalls ensure informed decisions and can mean the difference between success and failure.

“Forward-thinking companies have been adopting payment automation technologies precisely because they provide AP with cost savings, superior visibility and control, and fraud protection. ”

- Josh Cyphers
President | Nvoicepay



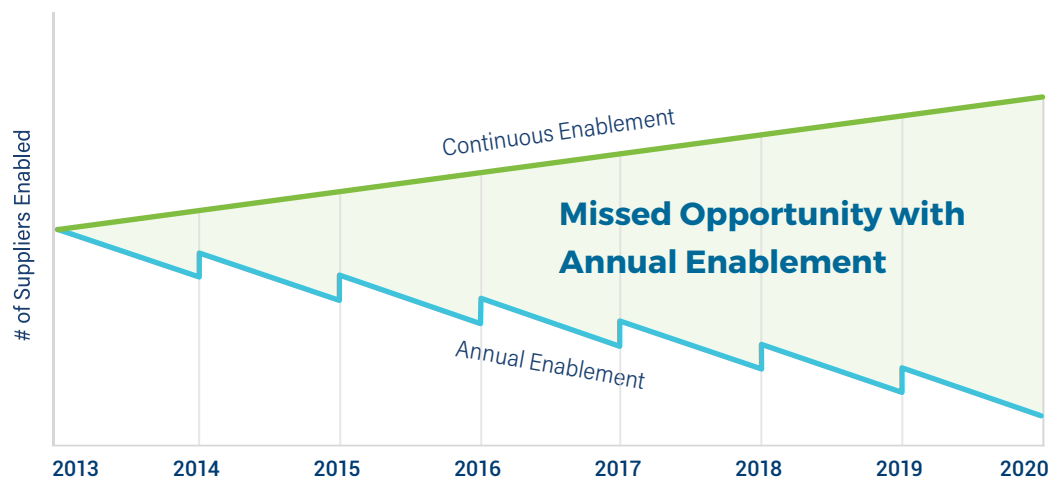
Six Points to Consider

1. Disparate payment processes: Enterprises should be making 100% of their payments through one simple, automated workflow. A solution that requires multiple flows for payment processing based on different payment types is a red flag. Managing disparate workflows wastes time and adds unnecessary complexity for both accounting staff and suppliers, resulting in inefficiencies in reconciliation, reporting, and supplier support.

2. Lack of supplier enablement and support: The biggest obstacle to ePayments is setting up or enabling suppliers for payment. Enabling suppliers requires knowing what payment methods suppliers accept, who their remittance contact is, how they want to receive the payment, and collecting banking information required to send the payment through the banking network. It's not enough to collect this information one time or even once a year. The information must be collected and maintained continuously over time in order to have the maximum benefit from your electronic payment solution. Without proactive and ongoing supplier enablement and support, the percent of suppliers that can be paid electronically diminishes over time. Figure one illustrates the missed opportunity of annual supplier enablement.

3. Burdened by supplier information management: Accounting teams should not have to keep track of the methods of payments their suppliers accept. Some banking solutions offer the ability to send one payment file for all payments, but require customers to indicate which type of payments each supplier accepts. Maintaining this information is extremely time consuming as supplier information changes over time and new suppliers are added. This is especially arduous for large organizations making hundreds of thousands of payments.

Figure 1: Annual Supplier Enablement vs. Continuous Supplier Enablement



Six Points to Consider

4. Payment error breakdown: It is critical to know what type of supplier support is available and who will answer payment support calls before entering a long-term agreement with an ePayments provider. A major weakness of many bank-based ePayment solutions is the lack of payment support for both customers and their suppliers. Payment errors are rare but do occur, requiring immediate and time-consuming investigation into the cause. Close review of payment files and numerous calls to and from suppliers are often necessary to trace the source of the payment failure and ultimately resolve the issue. Banks are typically unable to provide this level of support.

5. Rigid rules for file processing: Rigid rules for processing payment files can result in batch failures, causing more work for accounting teams. Many ACH alternatives require customers to prefund or maintain a predetermined dollar level in their accounts. If an account falls below the level—sometimes as little as \$1.00, the entire payment file / batch fails to process. Furthermore, many payment files will not process if there is an error in a single payment line in the payment file. Thoroughly understanding the details of how payment files process, how they can fail, and what flexibility is available to prevent failures will help you avoid these rigid, outdated systems.

6. Promised volume never materializes: It's common for card providers to offer enticing rates on their card products but only select the largest suppliers for payment enablement. For enterprises with thousands of suppliers, this approach limits the number of suppliers that can be paid electronically with a card product. Enterprises end up with an attractive rate but limited card volume for their rate to apply against.

“Unfortunately, most payment businesses that promise their customers a comprehensive solution don't realize service is as critical as software in driving real value.”

- Angela Anastasakis
SVP Operations & Customer
Success | Nvoicepay



Assessing the Right ePayments Solution for Your Business

Electronic payment solutions sound similar on the surface but deliver a range of functionality and features. For businesses that are evaluating ePayment solutions, here is a list of key attributes to ensure your ePayment solution drives AP efficiencies, reduces costs, and enables 100% electronic payments. If these do not exist, do not spend time evaluating more advanced features:

Single, Simple Workflow: Domestic and international payments should go through the same workflow to provide a consolidated, real-time view of accounts payable. The workflow should mimic your current accounting system and processes, as well as provide accounting staff greater visibility and control over payments.

End-to-End Payment Support: Immediate support for payment questions or issues should be available to customers and suppliers across all payment types, from a single source committed to an efficient resolution. Know what type of supplier support is available and who will answer payment support calls before entering a long-term agreement with an ePayment provider.

Flexibility and Control: Avoid solutions with rigid rules resulting in payment file failures. Look for solutions that deliver flexibility and control at the individual payment level so your payments process successfully with minimum effort.

Payment Optimization: Payment Optimization provides the assurance that 100% of your suppliers can be paid electronically with the payment method that delivers the greatest return to the customer. This is essential as supplier information, processing, costs, and card rebate opportunities are dynamic and change frequently. Look for solutions that provide the ability to optimize payments and automatically process payments in the method that ensures the lowest cost and best return.

Supplier Enablement and Information Management Services: Supplier enablement is absolutely key to the success of electronic payments. Look for a solution provider that proactively enables suppliers for electronic payment — not only initially but ongoing, and supports and maintains supplier information for the duration of the service contract. Do not accept the burden of maintaining this information. It is expensive, time consuming and will lead to payment inefficiencies over time.

“Payment automation gives AP the visibility and control they need to do remote payment approvals, making business continuity another dimension of the business case.”

- Karla Friede
Co-founder | Nvoicepay

Evaluation Checklist

Here is a guide to help identify the ePayment solution to best meet your business needs:

SOLUTION

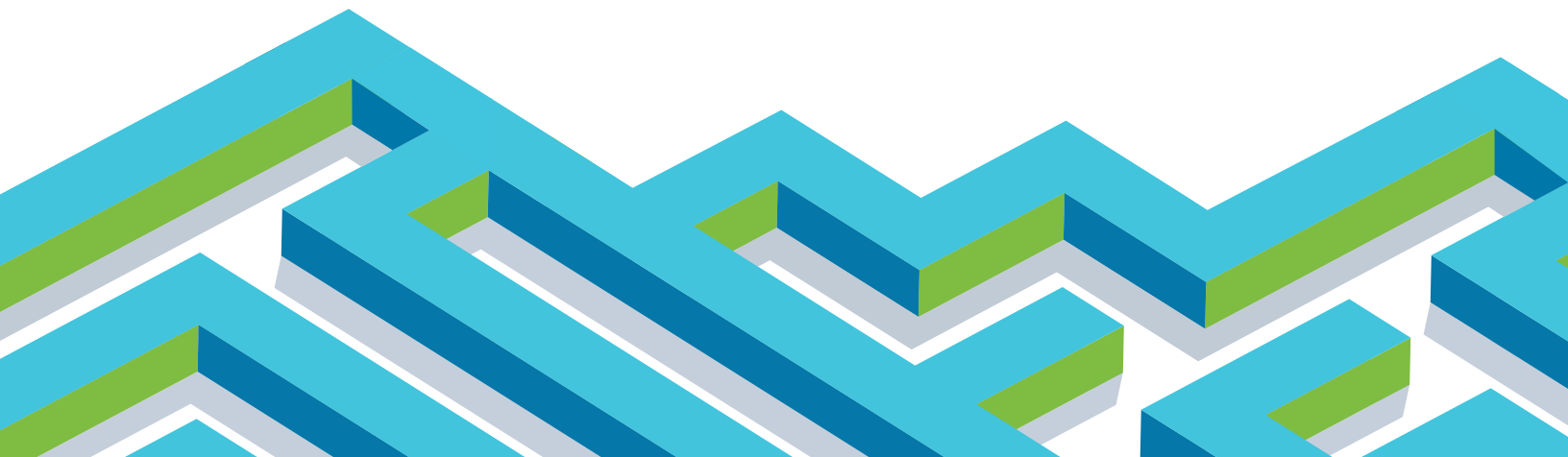
- Does the solution work with all ERP systems and across all bank providers?
- Does the solution force a change in your accounts payable workflow or force a change in the way your suppliers deliver their invoices?
- Will the solution integrate with other automation components like automated workflow or scanning if you choose to add automation over time?
- How long does the solution take to deploy and what resources are required?
- How much training is required?
- How much work is required of the accounts payable team as part of the deployment?

PAYMENT PROCESSING

- What types of payments are supported? ACH, traditional card products, accounts payable cards, electronic print check, international payments, and wire transfers?
- Do all payments go through the same workflow?
- Are payments optimized so you receive the greatest benefit?
- Do you have the ability to approve payments from anywhere?
- Does the solution have a streamlined system with clear requirements for submitting payment files?
- Does the solution provide support for payment failures?
- Does the solution provide visibility and control for your payments at the individual payment level?

SUPPLIER ENABLEMENT AND SUPPORT

- Does the solution include onboarding of all suppliers?
- Is the supplier enablement process ongoing, just at implementation, or just once a year?
- Does the solution provider proactively recruit suppliers to accept electronic payments?
- Who maintains supplier information as it changes over time?
- How is payment support delivered?
- Is there a single source for all payments and questions?
- Are supplier questions included in this support?



Nvoicepay: Intelligent Payment Automation

Nvoicepay is transforming the way enterprises pay their domestic and international suppliers. In today's business world, an avalanche of activity is holding enterprise finance teams back. Requirements and expectations for payment processes continue to expand, and doing nothing or throwing more people at the process no longer works. Enterprises must seize the opportunity to shift to a payment model driven by intelligent automation to create a modern payment workflow that works around the globe. In order to be successful it is imperative to ensure your payment solution has the following characteristics:

Purpose-built to handle complexity: Our high-integrity solution is designed from the ground up to handle the demands of complex enterprises. Nvoicepay manages multiple approval/permission levels, locations, bank accounts, currencies and ERPs with ease. With Nvoicepay, you can pay your suppliers with minimal human involvement while retaining control and visibility throughout. Because Nvoicepay offers a single workflow centered around rule-based decisions for all payments—including international transactions—you immediately eliminate friction and dramatically reduce errors. Our secure solution offers complete payment indemnification and guarantees, meeting the requirements of the most advanced organizations.

Dynamic Supplier Activation: Join an ecosystem that benefits from the largest and most up-to-date supplier network. Nvoicepay's growing supplier network—currently over 500,000—gets you up and running fast with electronic payments. You'll find many of your current suppliers already enabled in the Nvoicepay network, and our Supplier Matching capabilities onboard new suppliers quickly and easily. Because we maintain supplier data, no matter the size or location of your suppliers, you'll never have to use valuable AP resources to collect or manage changing supplier information.

Superior Supplier Experience: Simultaneously elevate the supplier experience while doing less work. Nvoicepay enhances the supplier relationship through a full range of payment types and detailed remittances that can be accessed through an easy-to-use portal. Nvoicepay further delights suppliers with support and services offered through a team of U.S.-based professionals who can answer any question, freeing up your valuable time. Our teams are so good that we consistently receive a 98% satisfaction rating from suppliers. Moreover, Nvoicepay always ensures successful payment completion, immediately resolving payment issues as they arise.

Remarkable Results: Nvoicepay unlocks the value in your payment process through time savings, cost savings, and rebates. Nvoicepay's intelligent payment automation process drives maximum electronic payment volume—our customers average 82% of payments made by ACH and card—with an error rate approaching zero. With Nvoicepay, you can realize \$125,000 in benefits for every \$100 million in AP spend, providing returns that will delight any finance executive. With minimal IT involvement, Nvoicepay can be jumpstarted to deliver these returns from the very first month of implementation.



About Nvoicepay

Nvoicepay, a FLEETCOR company, 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.

Imagine the day when your payment process operates as intended: antiquated processes are eliminated, errors are a thing of the past, and your AP staff is free to focus on higher-impact activities.

Join hundreds of enterprise organizations that are outperforming the status quo every day. Contact Nvoicepay at [877.974.1750](tel:877.974.1750) or contact@nvoicepay.com



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