

# Automating Your Payables Process

Migrating paper to electronic payments

Florida School Finance Officers Association  
June 2018

# Fulfilling your needs – B2B payments

The components of our value chain are  
**diverse and well supported** in the B2B market

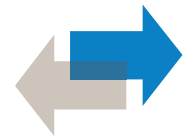
What's on  
your mind?



**Working capital management**



**Efficiency through automation**



**Supplier engagement**



**Product diversification**



**Data intelligence**



**Control**



## reduce costs, improve return

- Implement scalable and flexible payments solutions
- Create efficiencies by abandoning and automating labor intensive paper processes
- Leverage financial investment in ERP or AP system to limit use of proprietary bank applications

## supplier benefits

- ePayment solutions must deliver value to parties on both sides
- Adoptability both internal and external

## supplier file management

- Analyze, understand and segment your supplier mix
- Create payments transformation strategies around supplier segmentation
- Develop, communicate and incent new supplier payment type adoption strategy



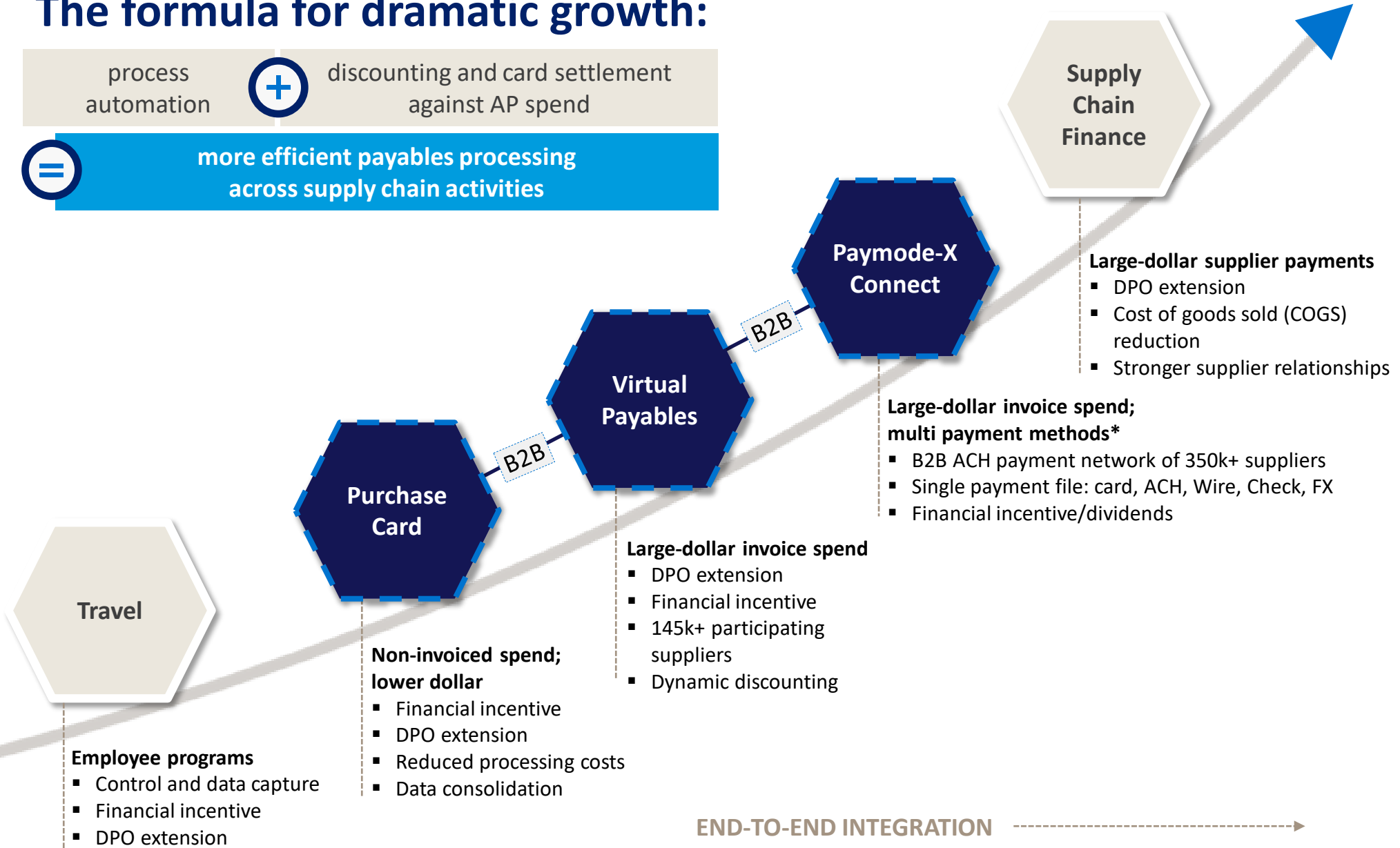
Supplier adoption – not technology – is the number one reason electronic payment initiatives succeed or fail

# Evolving payment technology

Automated Payables

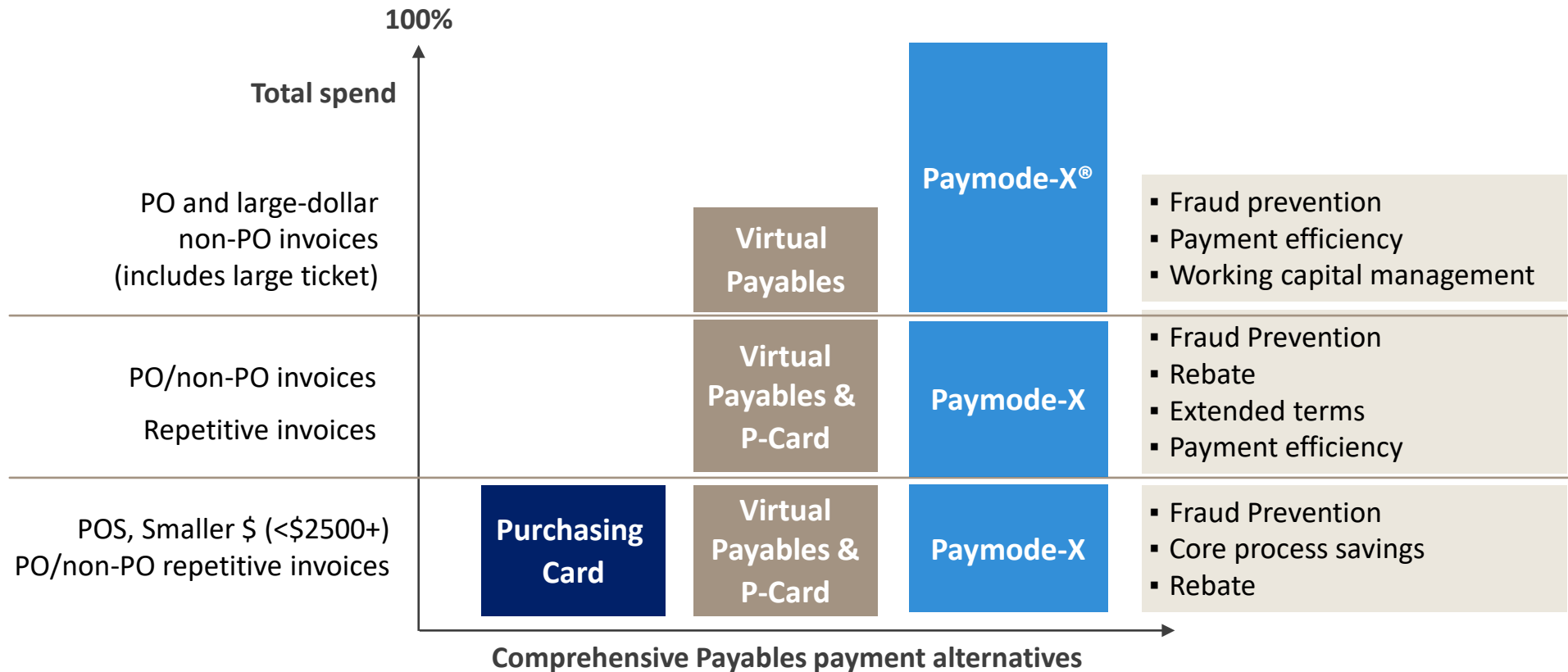
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## The formula for dramatic growth:



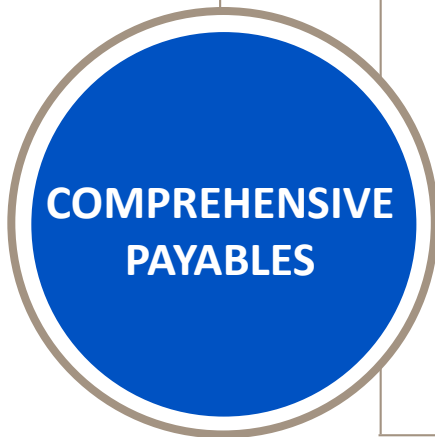
# Automating payments for multiple supplier types

## Delivering value relative to your objectives and culture



Multiple services are required to fully penetrate the potential for electronic payments across 100% of spend.

# Easily migrate from paper to electronic



## EASY-TO-IMPLEMENT, COST-EFFECTIVE

- Eliminates most administrative/IT effort typically required to start an e-payments program
- Single point of contact for all transmission-related customer service needs

## FULLY INTEGRATED PROCESS

- Technical integration enables you to send a single payment file containing electronic & check disbursements
- Uses your preferred format

## CONSULTATIVE SERVICE

- Adds value to both the payer and receiver by going deeper into the supply chain

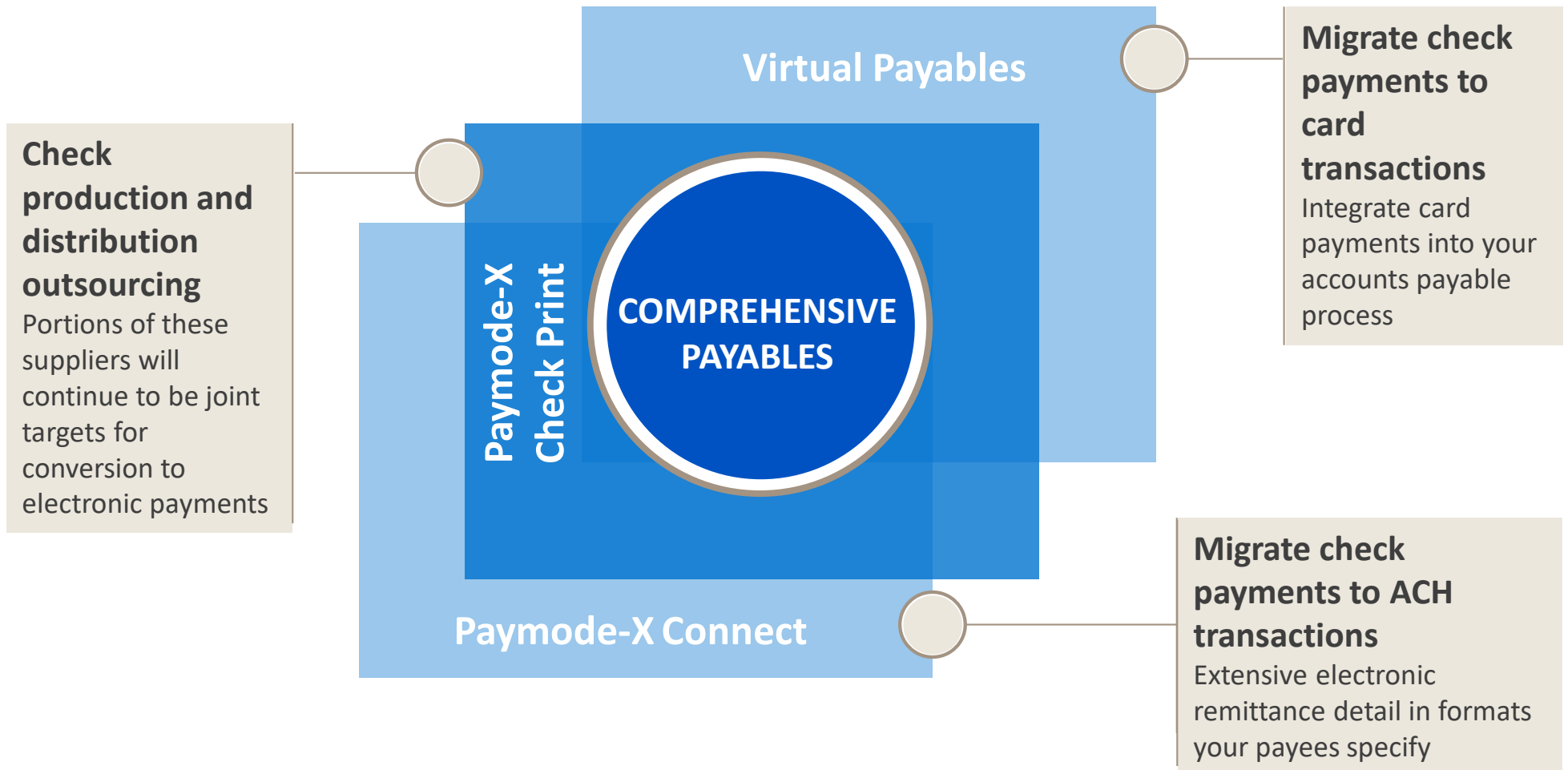
## SINGLE POINT OF ORINATION

- Send instructions for all payment types in one file: card, ACH, wire and check printing and distribution

## ACCELERATED ENROLLMENT

- Bank leads the enrollment campaigns to discuss migrating to electronic payments with suppliers
- Multiphase campaign enrolls your suppliers

# Comprehensive payment service



Alternative options like Purchasing Card and Extended Network Payments through Paymode-X can also complement your Comprehensive Payables program.





## Migrating check payments to card

- No-cost alternative to traditional fee-based payment types
- Extends float, increasing cash flow
- Reduces opportunity for fraud
- More than 150,000+ enrolled to accept Virtual Payables on approved invoices
- Revenue share potential when annual spend targets are achieved

## Migrating check payments to (ACH) payments

- Accepted by more than 360,000 suppliers
- Displaces check costs associated with these payments
- Reduces opportunity for fraud
- Supports unlimited remittance detail to be passed to suppliers
- Revenue share potential on eligible spend through the network

We leverage our resources and expertise to deliver in a way that we believe no other bank can match.

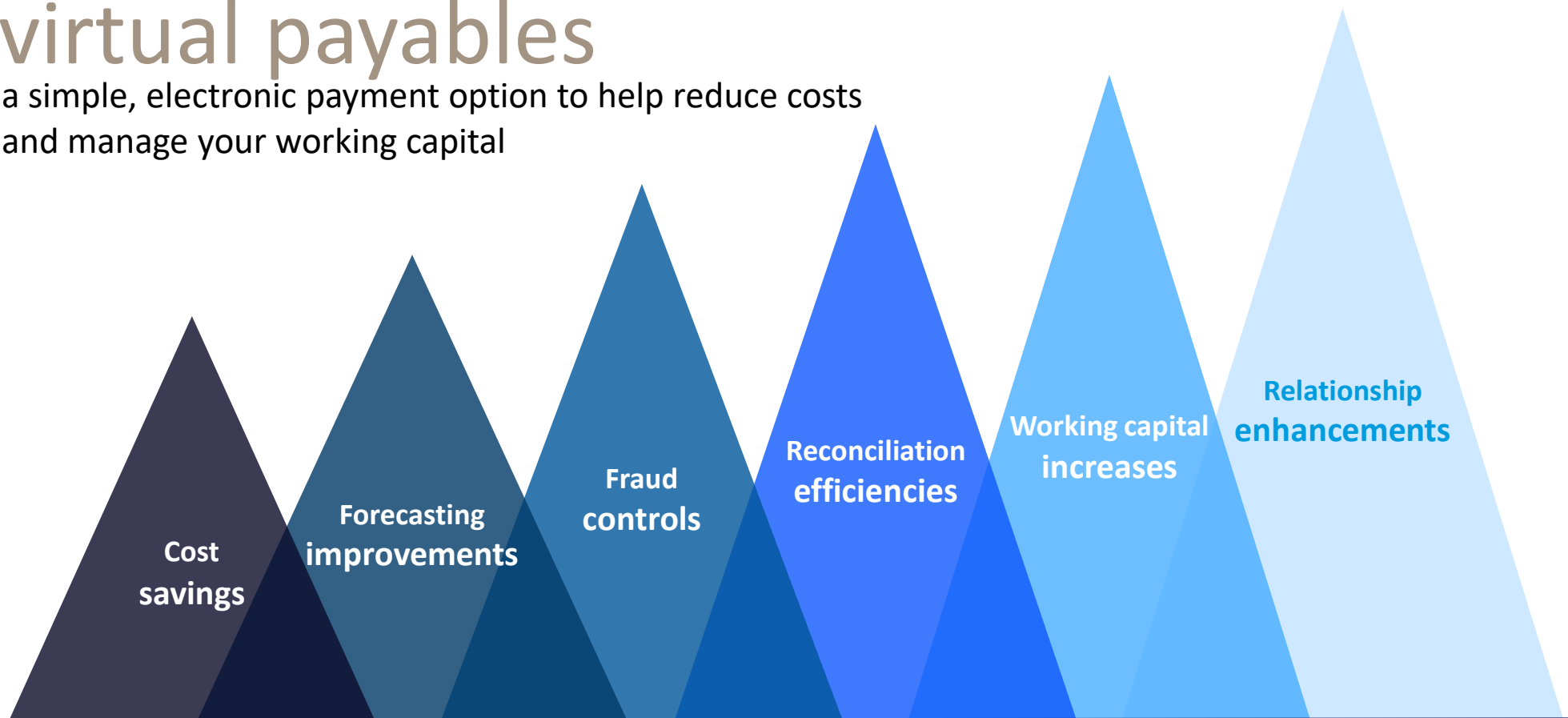


Replace **40 to 65%** of non-payroll AP check volume, per typical enrollment volume at program maturity.

# Make the move to electronic payments

## virtual payables

a simple, electronic payment option to help reduce costs and manage your working capital



- ✓ Supports both Visa & Mastercard brands
- ✓ Offers single use account capability
- ✓ Integrates with global P2E offering



[www.bofaml.com/valueb2bpayments](http://www.bofaml.com/valueb2bpayments)

Try our online calculator to show the value of Global B2B payment solutions

# Where do we go from here?

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# Accounts payable study methodology

1 Provide your non-payroll accounts payable spend data for analysis

2 We analyze your AP data to determine the best payment type for each supplier to maximize value:

- Identify suppliers that accept credit cards, and suppliers to be targeted for the Virtual Payables service
- Identify suppliers enrolled in the Paymode-X network and suppliers to be targeted for the Paymode-X service

3 We quantify the financial benefit by prioritizing conversion opportunities:

- Estimate number of checks and dollar value migrated to Virtual Payables
- Estimate number of checks and dollar value of checks migrated to Paymode-X Connect
- Estimate the number of remaining checks to outsource through Paymode-X Check Print

4 You will receive an estimate of the financial benefits to you based on anticipated payment conversion rates



## Seamless integration

- Support for high- and low-end technology interfaces
- Works within your systems environment and business rules
- Configurable process limits and privileges
- Secure, web-based, real-time reporting



## Supplier network

- Industry-leading solutions with one of the largest supplier networks
- Eliminates the need to maintain authorizations and bank accounts
- Grows with your business



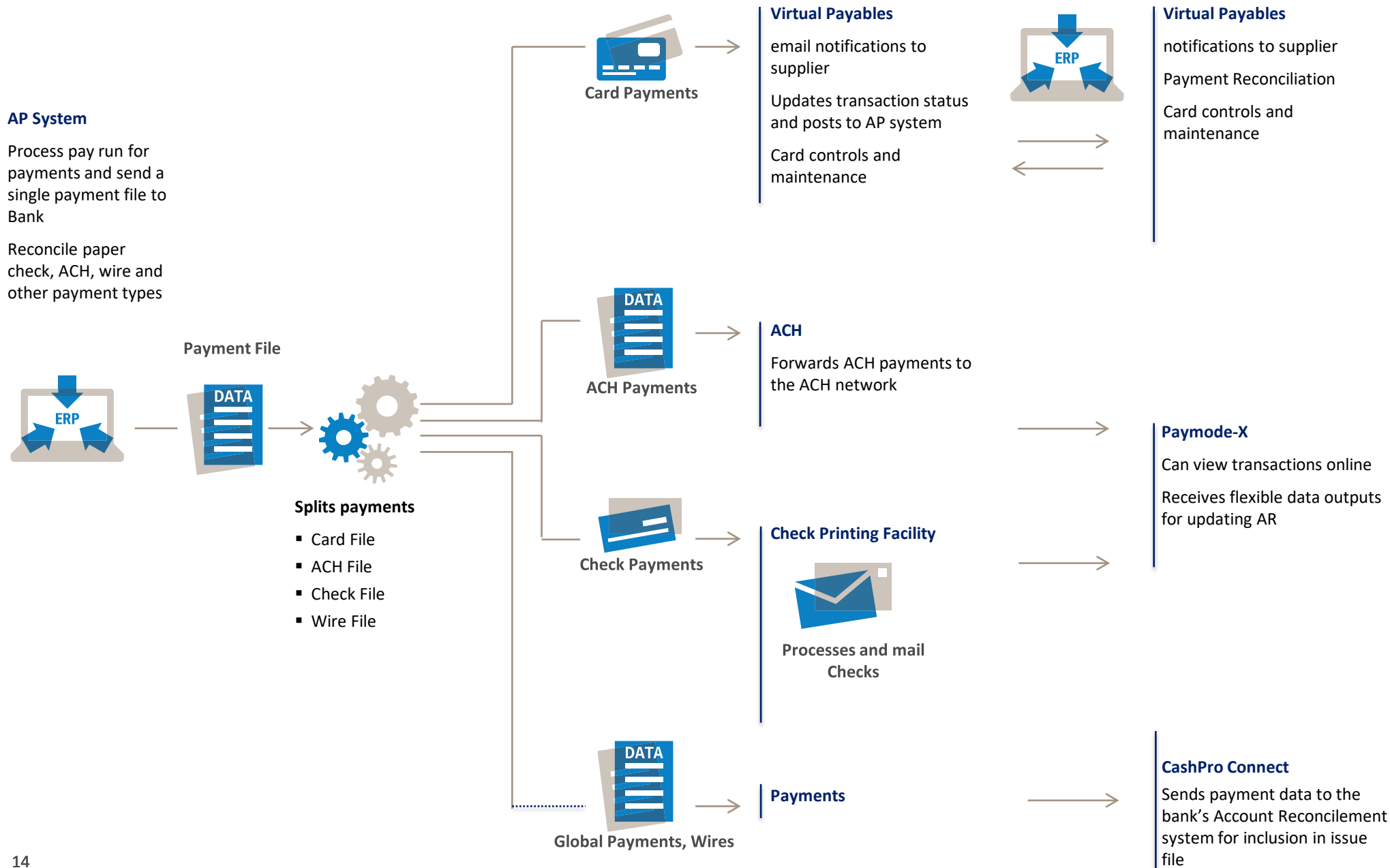
## Supplier enrollment

- Highly effective, rapid adoption with little effort on your part
- Timely payment, enhancing supplier satisfaction
- No need for payee to change bank accounts



- ✓ **Fully integrated** end-to-end payables process using your preferred format and preferred payment types
- ✓ **Enhanced reporting** for buyer and supplier, including payment reporting via online access
- ✓ **SAAS service delivery**, resulting in no hardware to install or upgrade fees

# Comprehensive check to electronic payments



# Supplier enablement overview

## Supplier segmentation and outreach

### Steps toward a successful campaign

1

#### Analyze

Bank performs preliminary segmentation analysis and recommendations for enrollment strategy.

2

#### Define

1. Client approves enrollment strategy by supplier
2. Client determines and executes pre-campaign outreach activities
3. Communication scripts drafted
4. Client returns approval
5. Bank finalizes communication timeline and approach with client.

3

#### Execute

1. Bank begins supplier outreach
2. Bank provides updates on supplier enrollment campaign success throughout execution.
3. Client works with bank to decision action reports throughout active campaign process.
4. Upon close of Virtual Payables campaign, supplier declines are reported to client

4

#### Activate

##### Virtual Payables

1. Profiles are created for each supplier, including unique supplier IDs and secure email addresses.
2. Virtual Payables suppliers flagged in your AP system.

##### Paymode-X Connect

1. Suppliers are set up
2. Client updates AP system with supplier IDs.

5

#### Support

1. Ongoing support through the life of the program from Relationship Managers.
2. Regular supplier file analysis for future campaigns.



### Best practices for Comprehensive Payables campaigns

- Determine supplier communication announcing payables initiative
- Internal communication to personnel who speak with your suppliers announcing payables initiative
- Begin promoting Virtual Payables as your primary source of payment as you onboard suppliers, with Paymode-X Connect as an alternative

1

## Supplier analysis

- Provide a supplier payment history file for most recent 12-months
- Include supplier name and address, total paid and number of payments per supplier

2

## Provide data elements for robust cost savings analysis

Include your average cost of a check, direct check production costs and short term funds rate (float value)

3

## Data analysis

BofAML creates a proposed marketing strategy for supplier acquisition based on our existing knowledge and expertise

4

Pricing/service proposal letter presented for review

5

Contracts to be signed and implementation begins



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