



From Paper Checks to ePayment Optimization

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

Migrating off paper-based accounts payables processes tops the list of priorities for accounting teams as the opportunity to transform this goal into bottom-line value becomes clear and attainable. In ridding accounts payables from paper checks, today's enterprises aim to reduce payment processing costs, streamline AP processes, and gain greater visibility and control over cash flow.

Innovations in business-to-business (B2B) payment solutions provide these substantial and 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; and in many cases may actually create inefficiencies and increase workloads for accounting staffs.

This whitepaper provides CFOs, senior finance executives, controllers and accounts payable teams with guidance for evaluating ePayment solutions. It explores common issues to avoid in enabling electronic payments, and provides a checklist for identifying the right ePayment solution for your business.

Beware of Common Pitfalls

Businesses have pursued AP automation for decades. Yet 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 the services required to enable electronic payments, have prevented widespread adoption and success for others. Many enterprises have been left with unnecessary complexity, limited payment flexibility, increased workloads, and the unpleasant reality that the majority of accounts payable payments are still made with print checks.

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 enable more informed decisions and can mean the difference between success and failure.

Disparate, ad hoc 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 waste time and add unnecessary complexity for both accounting staff and suppliers, resulting in inefficiencies in reconciliation, reporting and supplier support.



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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. Moving to electronic payments should remove steps from accounts payable staff, not create additional work.

Rates sound good on the surface but volume never materializes: It's common for card providers to offer enticing rates on their card products but only select the largest suppliers to enable for payment. For enterprises with thousands of suppliers, this approach carelessly 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.

Rigid rules for file processing: 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 or 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. Rigid rules for processing payment files can lead to batch failures causing more work for accounting teams. 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, dated systems.

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.

Payment error breakdown: 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 often 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. 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.

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.



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Single Simple Workflow

All payments should go through the same workflow to provide a consolidated, real-time view of accounts payables. Workflow should be easy for accounting staff to implement with their current accounting system and processes, as well as provide accounting staff greater visibility and control over payments.

Supplier Enablement and Information Management Services

Supplier enablement is absolutely key to the success of electronic payments. Look for a solution provider that proactively pursues suppliers for enablement — 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 Optimization

Payment Optimization provides the assurance that 100% of a company's suppliers can be paid electronically with the payment method that delivers the greatest return. 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 priority method you determine to ensure the lowest cost and best return.

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 amount of effort.

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.

The Base Line for All Solutions

All solutions should be PCI Compliant and adhere to this industry security standard. All solutions should deliver rich remittance information to the supplier. All solutions should offer an easy connection to ERP systems. These are very important and basic starting points for evaluating solutions. If these do not exist, do not spend time evaluating more advanced features.



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Evaluation Worksheet

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 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?
- What are the rules and requirements for how your payment files are submitted?
- What causes your payment file or batch to fail?
- 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 all questions?
- Are supplier questions included in this support?

Baseline Questions

- Security: Is the solution PCI Compliant?
- Do suppliers receive the remittance information they require?
- Are all ERP systems supported?



White Paper

NVoicePay: Simple, Flexible & Powerful ePayments for Businesses

NVoicePay provides a single simple workflow for all types of payments. Customers decide on the payment methods they want to use and NVoicePay provides Payment Optimization to dynamically pay suppliers for the greatest benefit and according to the customers' priority.

NVoicePay's AP Gateway is simple yet delivers increased payment visibility, traceability and control. Customers have the flexibility to add multiple approval levels, control individual payments, and create real-time reconciliations. AP Gateway works with all accounting systems and banking partners.

Supplier Information Management

NVoicePay removes the greatest barrier to ePayments – the collection of information required to pay suppliers electronically. Since supplier information changes over time and new suppliers are added, NVoicePay continuously updates, validates and maintains supplier information for customers.

Integrated Payment Options for Accounts Payable

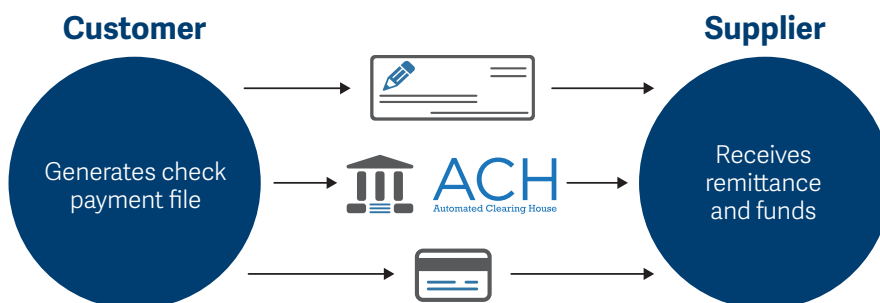
NVoicePay customers choose from multiple integrated payment options including ACH, integrated AP Cards, traditional credit cards, or electronic print checks. NVoicePay customers are under no obligation to use a specific card product or commit to a long-term contract. Integrated AP Cards provide industry leading rebates paid on a monthly basis.

Customer Service

NVoicePay delivers end-to-end payment support for both customers and their suppliers. If there is a question or problem at any point within the payment process, NVoicePay resolves the issue quickly and thoroughly. NVoicePay relieves accounts payable of the time-consuming tasks of answering supplier questions and resolving payment issues.

Security

NVoicePay is PCI Level One Compliant, the highest level of PCI Compliance in the Payment Industry.



Current Problem: Low conversion to electronic payments due to multiple inefficient processes

- Multiple Complex Workflows – *Separate processes for each payment type*
- No Payment Optimization – *Fewer ePayments, minimal card rebates*
- Inflexible – *Cumbersome bank interfaces, rigid process controls the user*
- Payment Management – *Manual processes, suppliers call with problems*
- Supplier Information Management – *No ongoing supplier enablement provided*



NVoicePay Solution: Optimize payments and pay 100% of suppliers thru the same electronic process

- Simple Workflow – *Single process for all payment types*
- Payment Optimization – *Automatically pay with the greatest benefit*
- Flexible – *Cloud-based interface, user controls the process*
- Payment Management – *Constantly monitored, errors immediately resolved*
- Supplier Information Management – *Maintained and consistently updated by NVoicePay*