

Beyond Plastics to ePayables Solutions

Jeff Pape, Senior Vice President Payables Strategy

All of **us** serving you®



Agenda

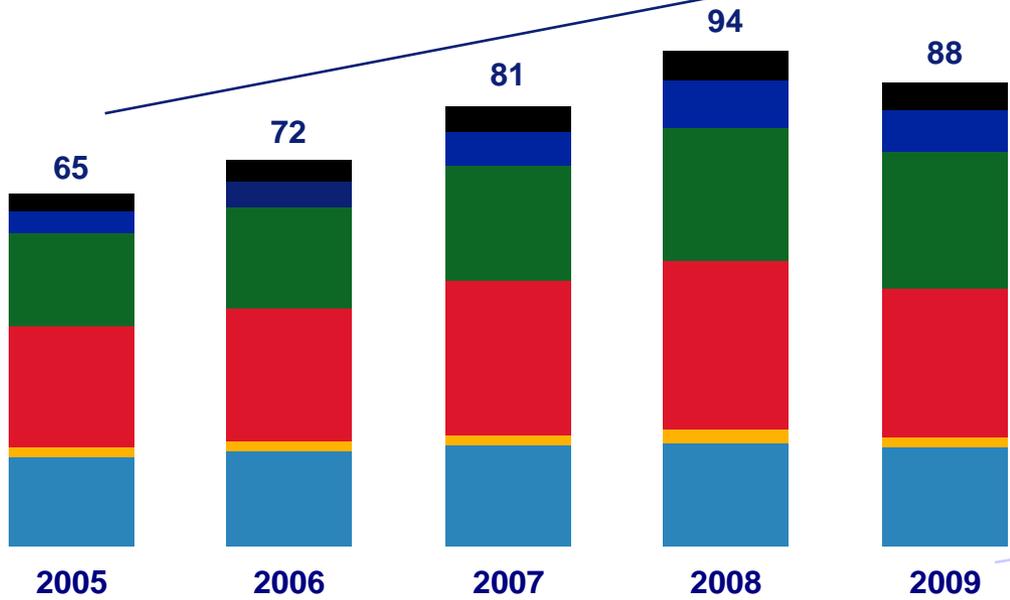
- Key market trends
- Strategic product enablers
 - Virtual accounts
 - Electronic invoicing
- Where are we going?

Global Commercial B2B Market

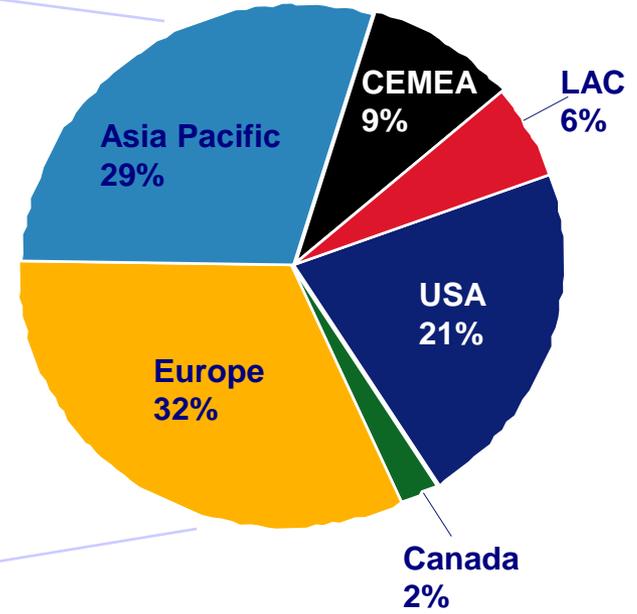
Commercial Consumption Expenditure (CCE) captures global business to business spend by region

2009 Global CCE Distribution
100% = \$88T

5 Year
CAGR = 8%



% Share 2009 Global CCE



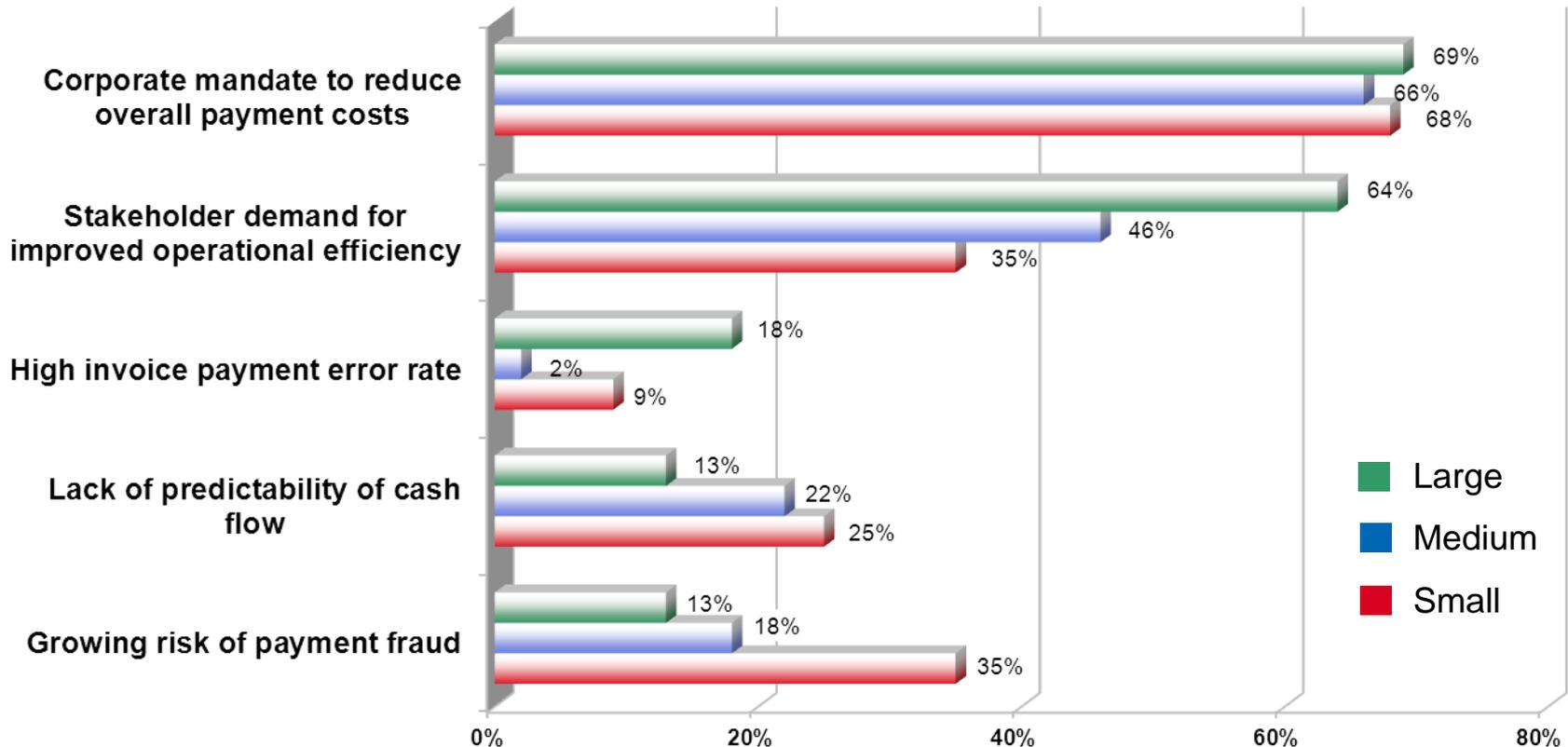
■ LAC ■ CEMEA ■ Asia Pacific ■ Europe ■ Canada ■ USA

Source: Visa Commercial Consumption Expenditure Index; Economist Intelligence Unit (EIU) modeling and analysis, July 2010. Global CCE index data sources include Bureau of Economic Analysis (BEA), U.S. Census Bureau, Organization for Economic Cooperation and Development (OECD), SStructural ANalysis (STAN) Database, EuroStat Database, General Government Accounts from the National Accounts of OECD Countries, United Nations Statistics Division National Accounts Main Aggregates Database, EIU proprietary databases, government data and EIU model estimates where government data was unavailable. Large contracted defense spending not included in CCE index.

Factors Driving ePayment Growth

Catalysts for driving ePayment activities within organizations

Respondents were asked to select two pressures driving ePayment activities



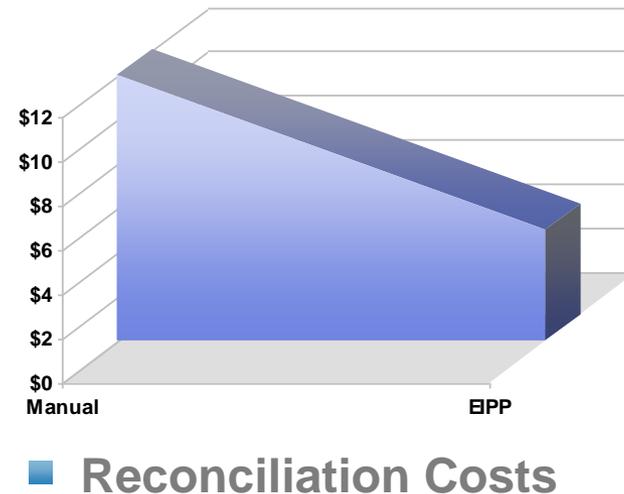
Payment and Reconciliation

Electronic payments are a significant opportunity for cost savings

Aberdeen Group May 2010 Study: "Global Payments: Maximizing Cash Flow with Electronic Payments and Process Automation"

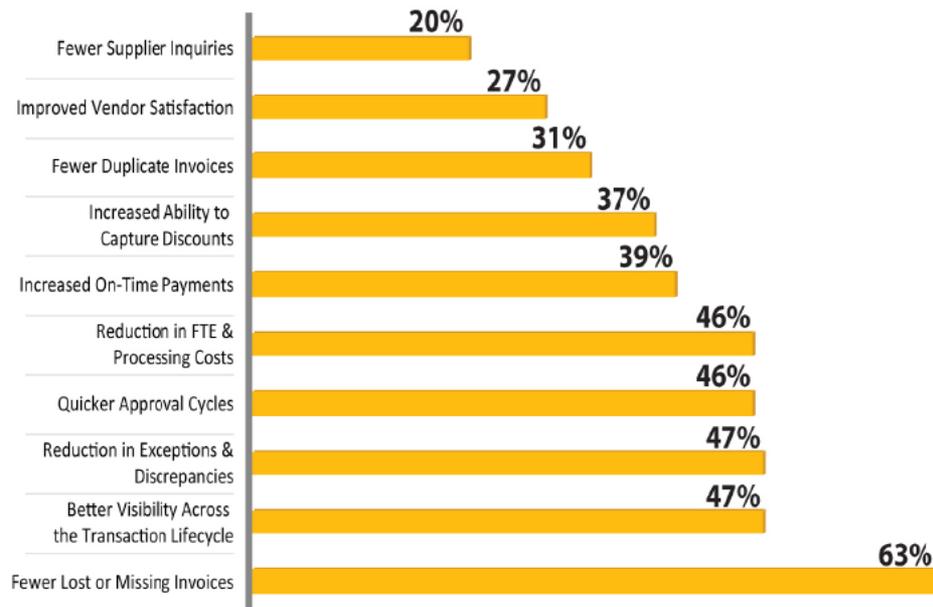


Accenture 2007 Study: "The Role of Procurement Cards in the Source-to-Settle Process"



ePayments and eInvoicing Adoption

Benefits of e Invoicing



Source: PayStream Advisors; eInvoicing Adoption Benchmarking Report Q2 2011

Payment Mix by Volume

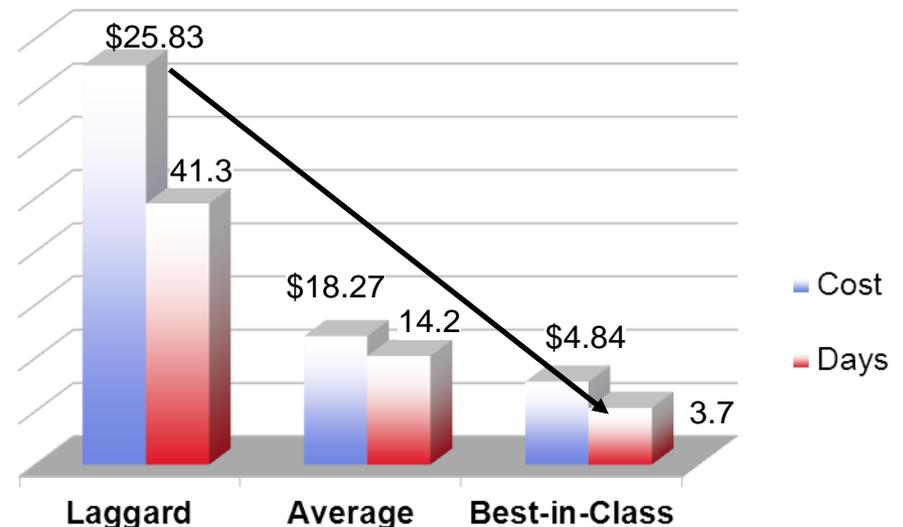
Payment Method	Current Volume	% Respondents Changed over Past 2 Years*	% Respondents Expecting Change over Next 2 Yrs*
Check	50%	- 41%	- 71%
EFT / ACH	32%	+ 58%	+ 77%
P-Card	9%	+ 27%	+ 38%
Wire Transfer	9%	+ 7%	+ 2%

Note: Net changes reflect the percentage of respondents selecting an increase minus the percentage selecting a decrease, with moderate and significant changes combined.
Source: Aberdeen Group, August 2011

What is the Savings Potential...

- Cost reduction between \$4 - \$30 per invoice
- Cycle time reduction between 5 – 20 days

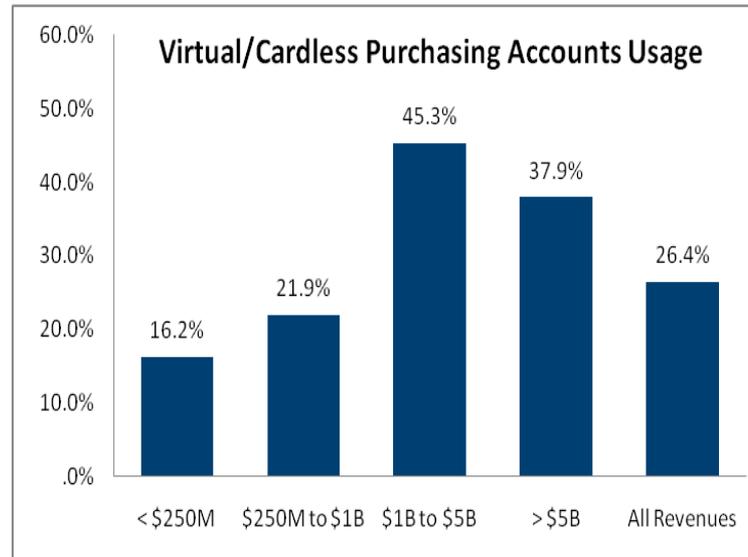
Maturity Class	Cost to Process a Single Invoice	Cycle Time to Process a Single Invoice
Best-in-Class	\$7.78	5.3 days
Average	\$12.05	10.2 days
Laggard	\$37.45	24.5 days



Sources: Aberdeen Group, "E-Payables 2011 – Efficiency, Visibility, and Collaboration in the Financial Supply Chain"

AP Automation: Electronic Accounts Payable

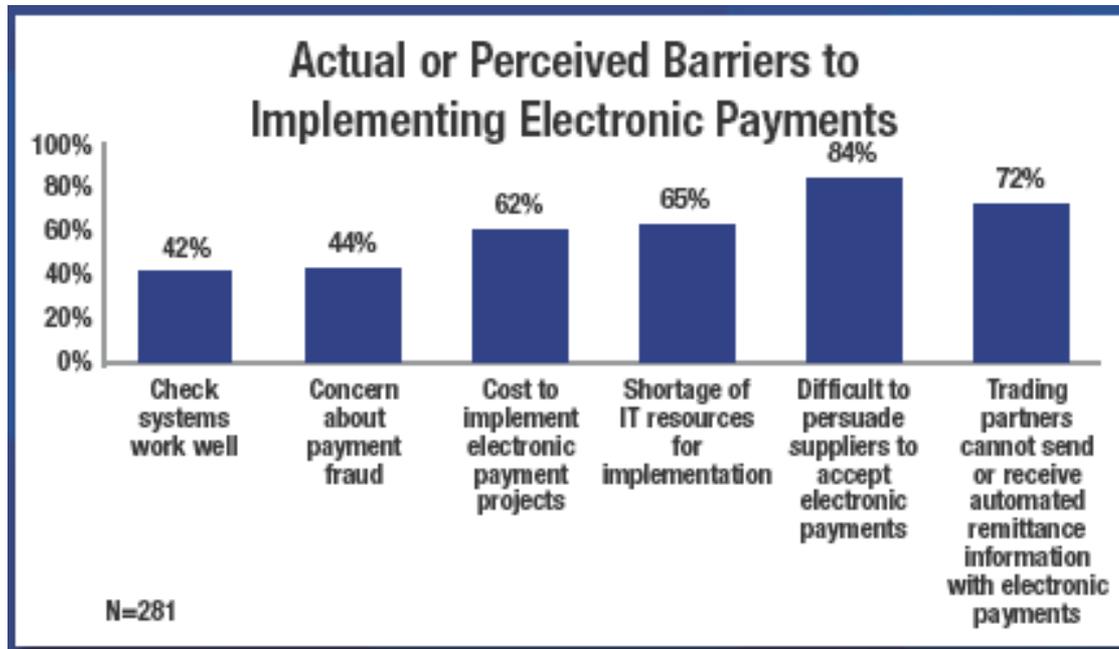
- Over 25% of organizations have adopted virtual purchasing card accounts (EAP)
 - For organizations with \$1 billion+ revenue, the adoption rate is nearly double.
 - Over the next three years, EAP use will grow by over 40%.*
- EAP Terms
 - Virtual Card, single-use accounts, straight-through processing, buyer-initiated payments, EIPP



* Source: 2010 RPMG "Purchasing Card Benchmark Survey Report"

Barriers to Implementing e-Payments

- The greatest obstacles are perceived *external* barriers regarding the willingness and/or capability of suppliers to accept e-payments
- The *internal* cost and/or capability to manage the transition to e-payments is another major concern

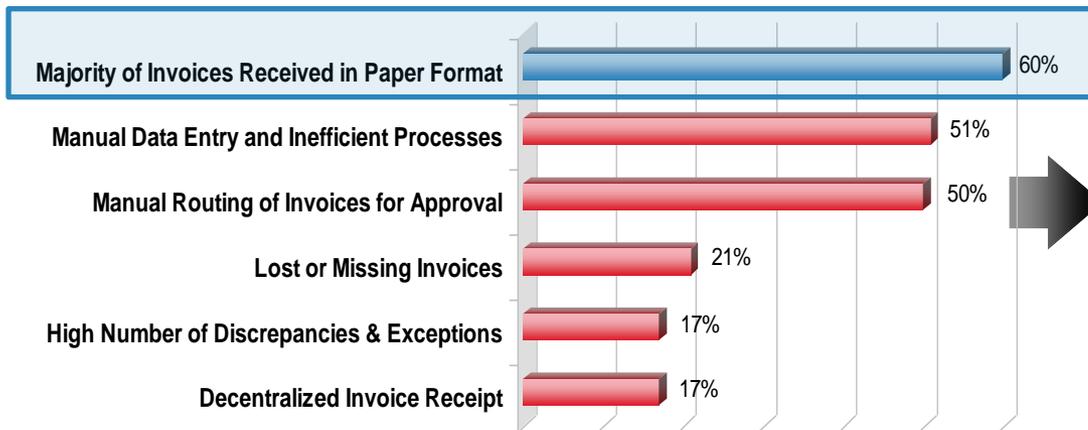


More than 75% of organizations believe that suppliers who currently receive paper checks will be able to receive e-payments within three years.

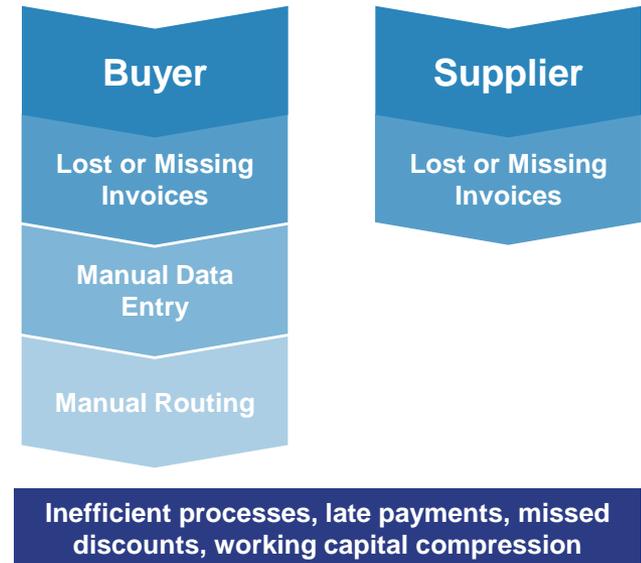
Invoice Management Challenges

Removing paper mitigates downstream effects.

Challenges Reported in the Invoice Management Process



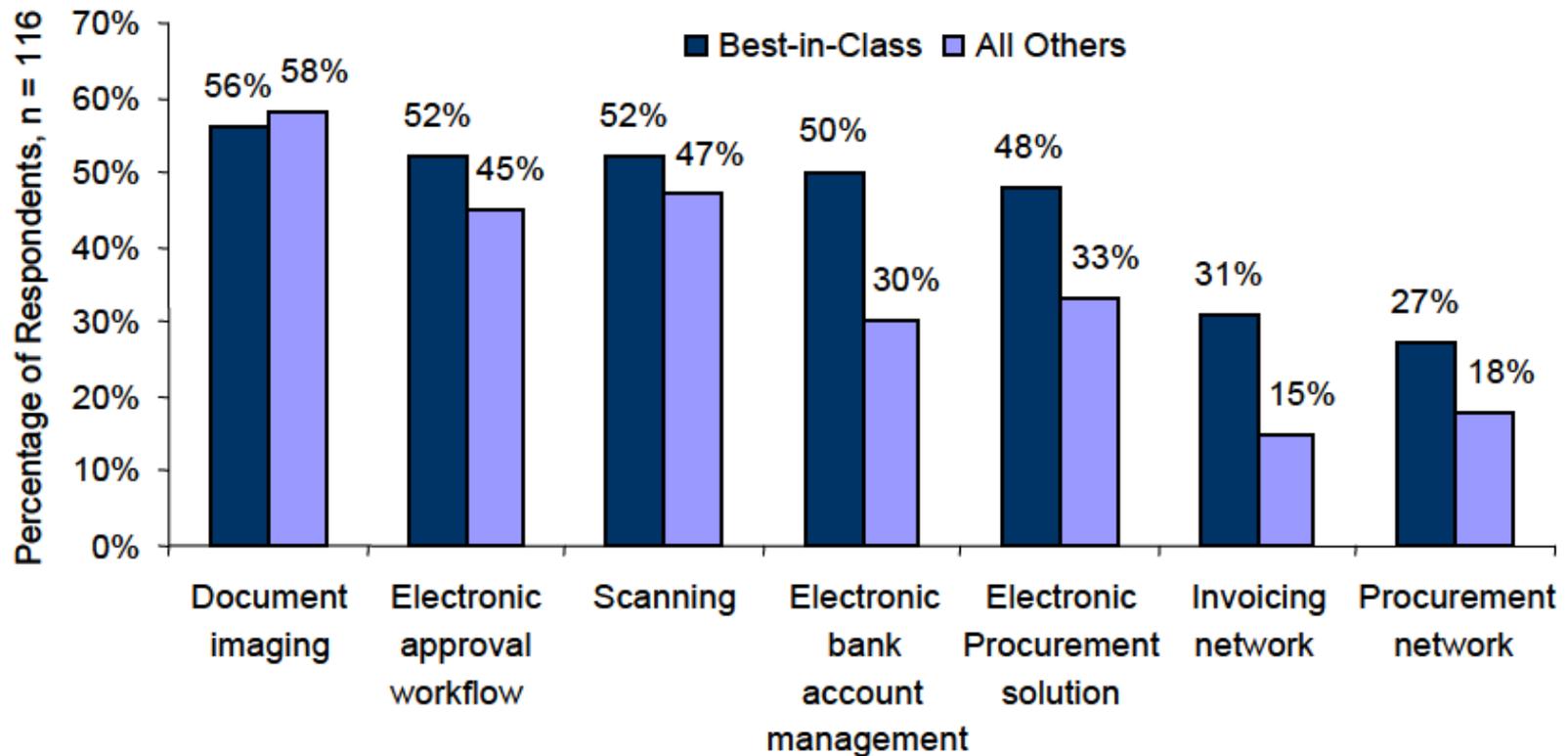
Paper Invoice Downstream Effects



Source: "Electronic Invoice Management, No More Recycling: Get Rid of Paper from the Source," PayStream Advisors Q3 2010.

Technology for Best-in-Class Organizations

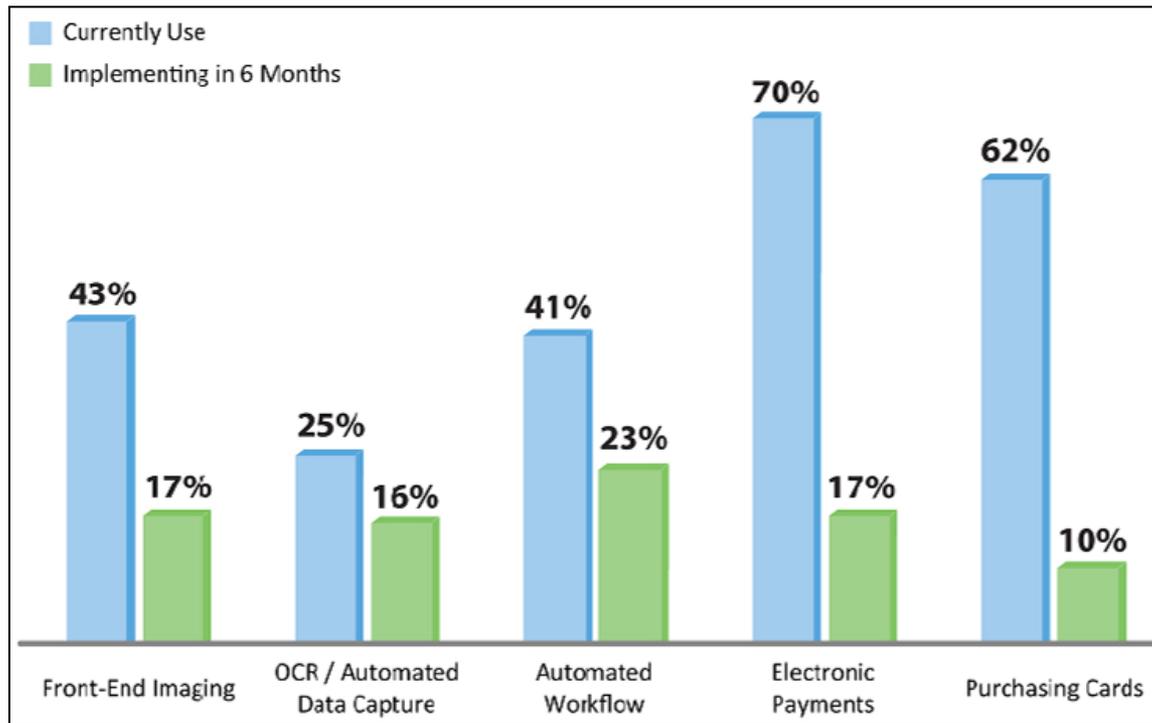
Technology Choices of the Best-in-Class



Source: Aberdeen Group, August 2011.

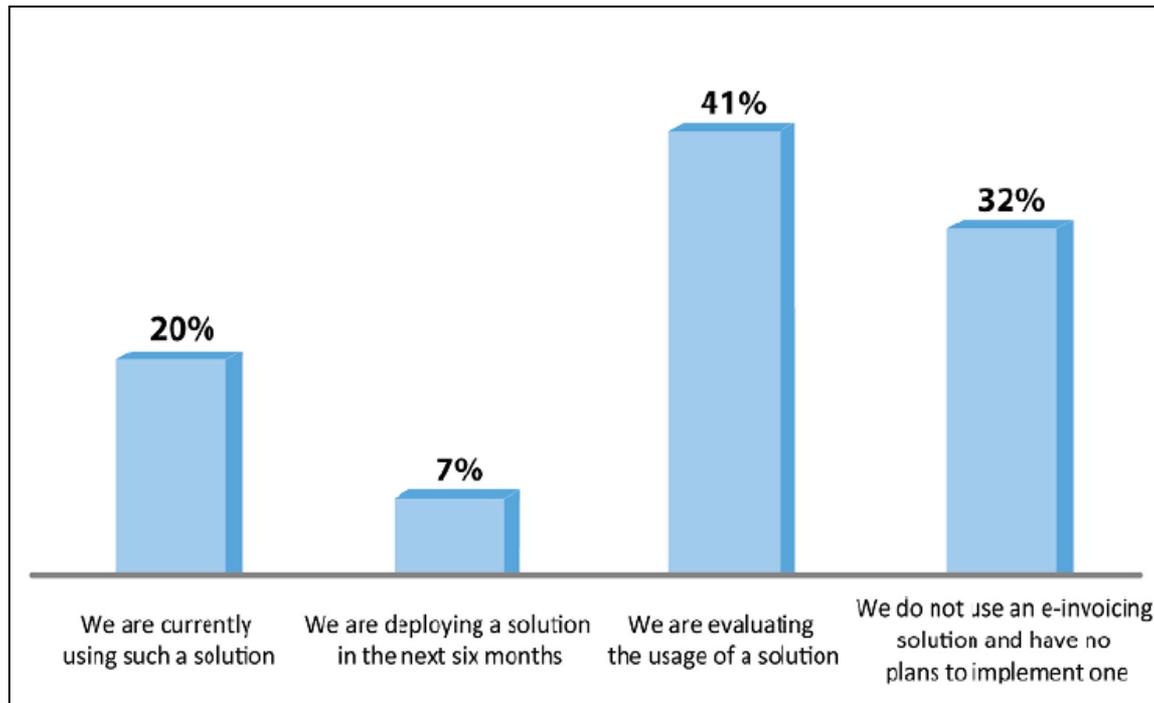
Front-End AP Automation

Usage of Front End AP Automation Technologies

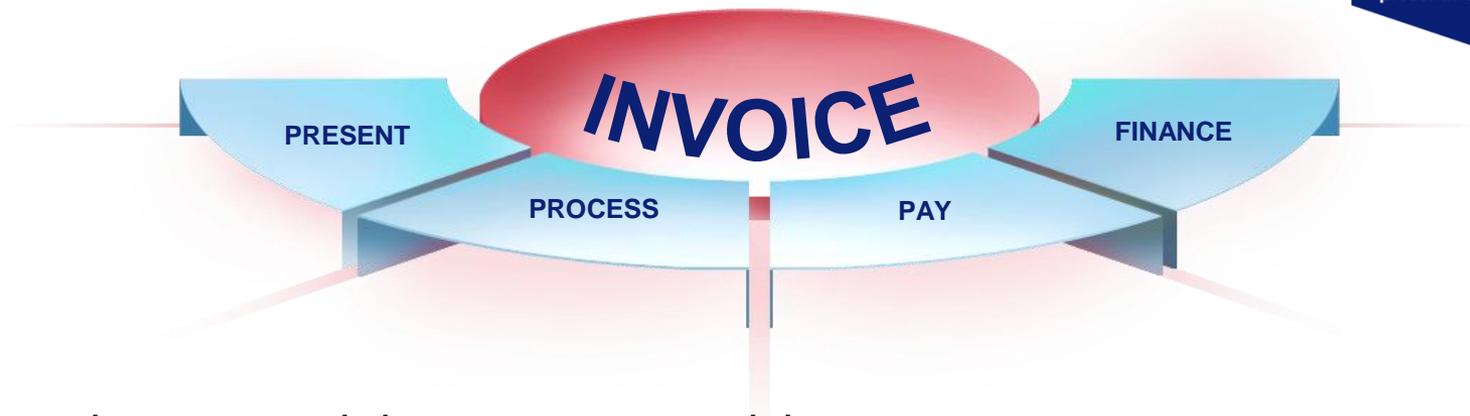


eInvoicing Adoption

Adoption of eInvoicing Solutions

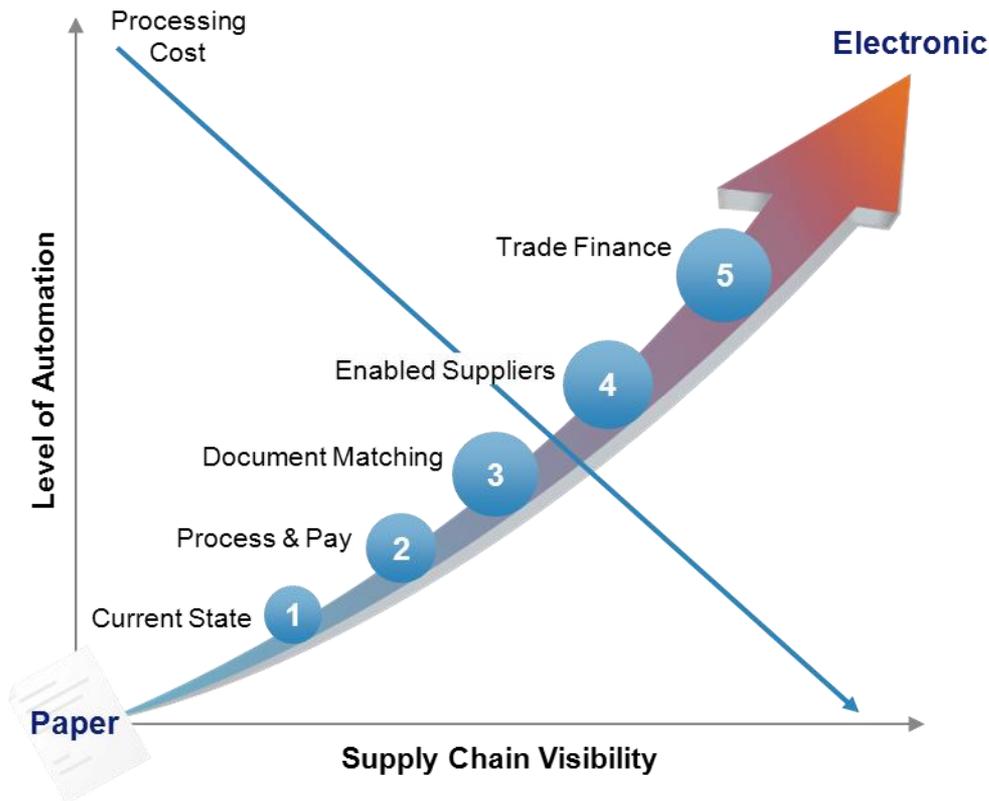


How Electronic Invoice Presentment and Payment (EIPP) Works



- Cooperative approach between two participants
 - Buyer – uses EIPP for A/P
 - Supplier – uses EIPP for A/R
- Both parties review and manage their transactions online
- Both parties have real-time visibility to invoice and payment status
- Both parties collaborate online to resolve disputes or exceptions

EIPP Provides a Clear Path to Best-in-Class Payables Processing



Evolution of Invoice Processing

1. Reliance on paper-based manual processes
2. Automation of process-to-pay
3. Matching of invoices to buyer reference documents
4. Submission of electronic invoices by suppliers; visibility into payables and receivables
5. Enablement of complete AP-AR view, providing active working capital management and trade finance for buyers and suppliers

Technology Drives Efficiency

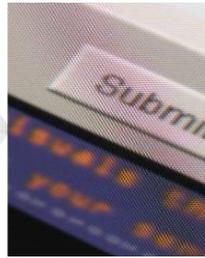
Maximize opportunities to streamline processes and glean relevant, actionable data



Electronic Processing



Collaborative Interface



Exception Resolution



Electronic Settlement



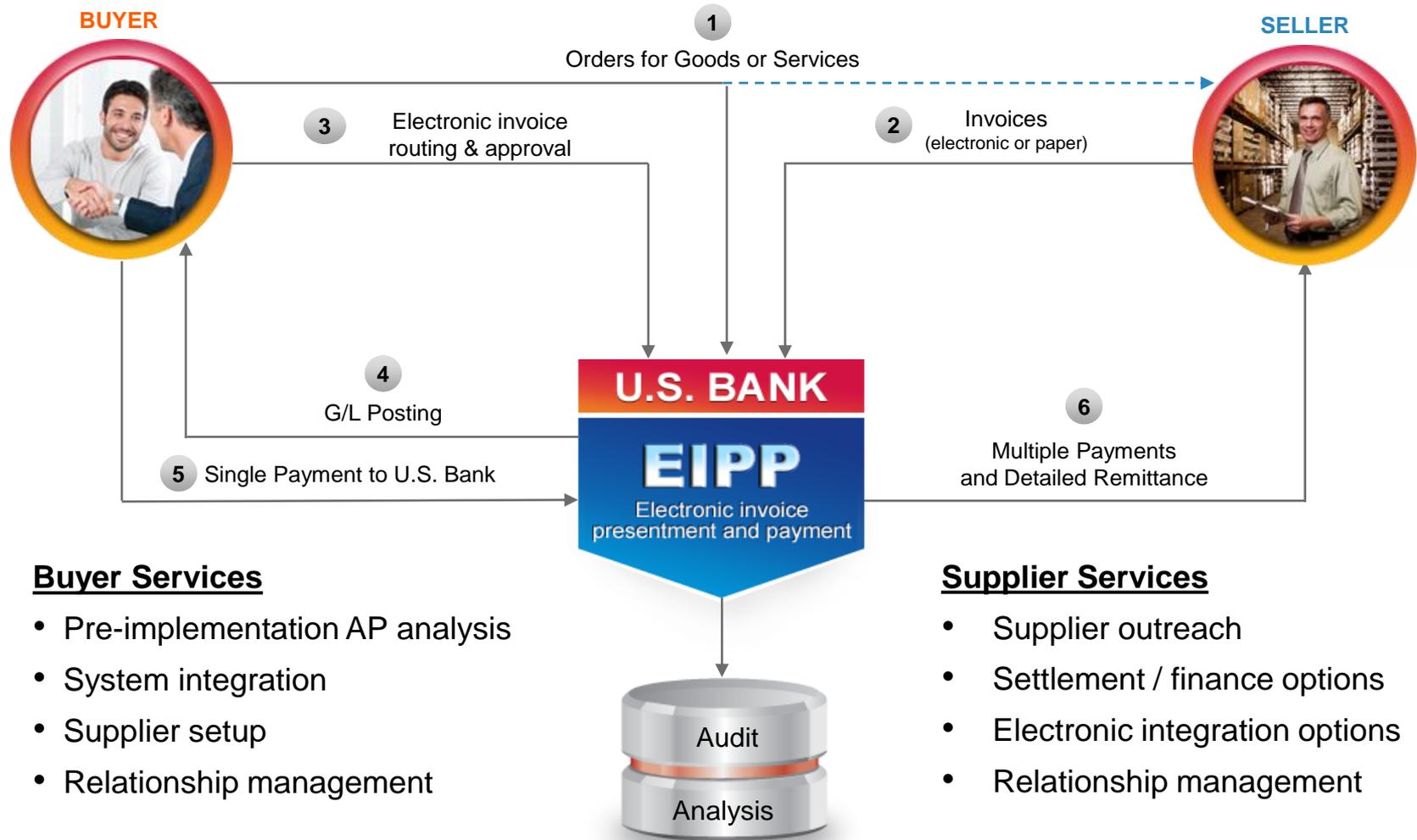
Analytics



Supply Chain Efficiency

- **Electronic invoice processing via EDI and online interfaces**
- **Automated business rule applications and audit**
- **Online exception management eliminates rejections, enables resolution**
- **Electronic settlement to suppliers (ACH/EFT/Card)**
- **Robust analytics provide instant access to business intelligence**
- **Improved payment and business intelligence leads to supply chain efficiency**

EIPP Standard Process Flow



Buyer Services

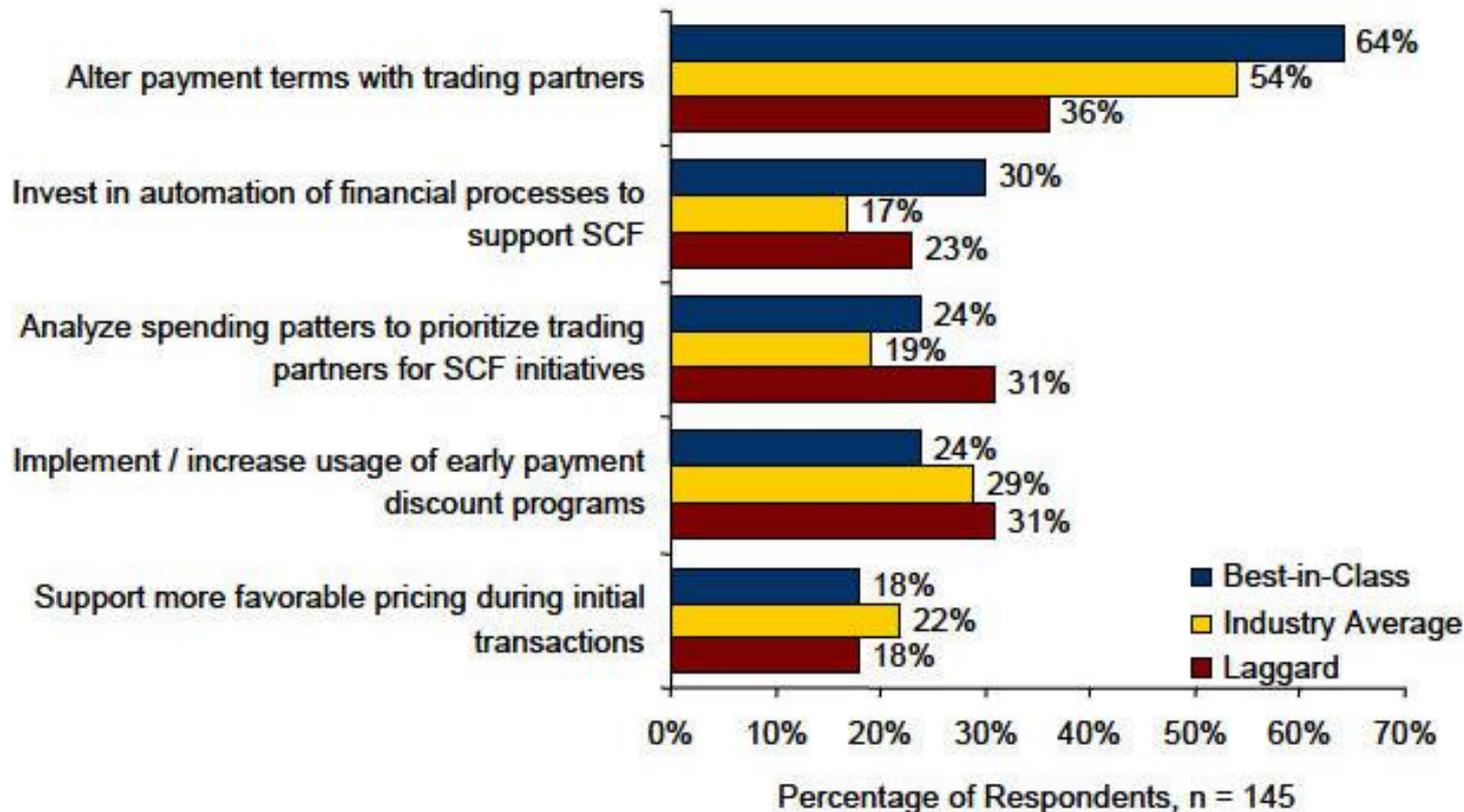
- Pre-implementation AP analysis
- System integration
- Supplier setup
- Relationship management

Supplier Services

- Supplier outreach
- Settlement / finance options
- Electronic integration options
- Relationship management

Working Capital Optimization Strategies

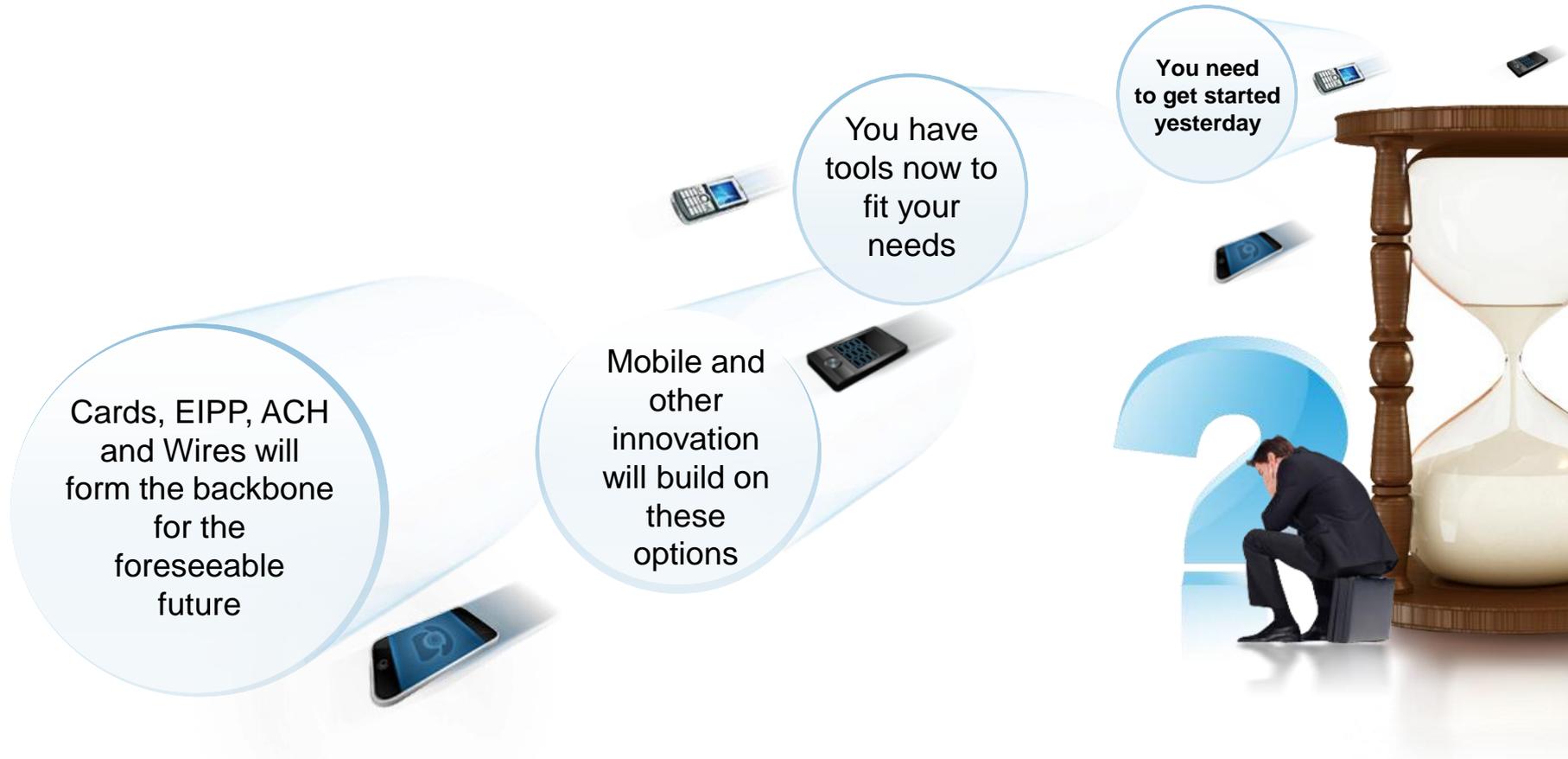
Top strategies for alleviating business pressure



Source: Aberdeen Group, January 2011.

Is Now the Right Time?

Should I wait for the mobile revolution instead?



How Do I Get Started?

Map out current payable and receivable processes

Review IT resources; determine desired automation level

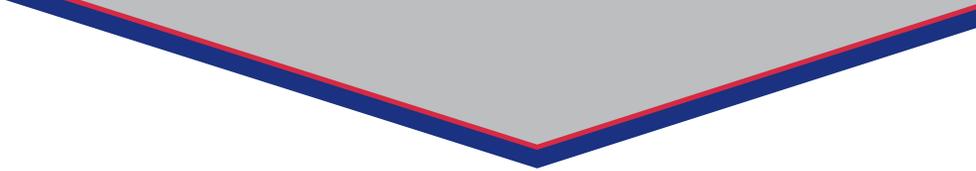
Consult with banking partners

Consult with trading partners to determine interest and effort required

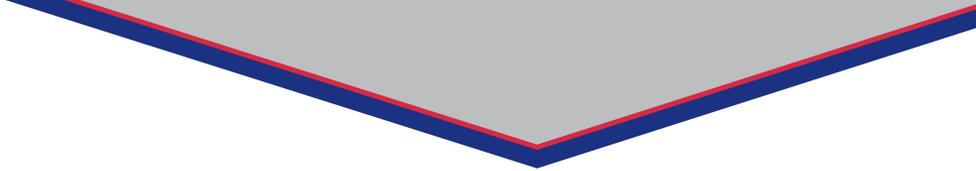
Obtain senior manager buy-in

Drive adoption





Questions?



Thank You

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