

Overhauling Vendor Onboarding and Uplifting Virtual Card Rebate Revenue A CASE STUDY

How A Mid-Atlantic Public Research University Eliminated Virtual Card Calling Campaigns with Digital Onboarding

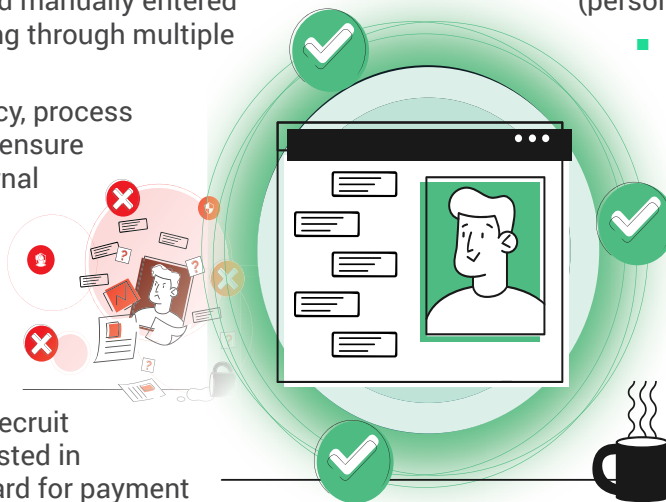
Tired of chasing paper documents and worrying about compliance risk, the Accounts Payable team at this University automated their supplier onboarding and management and digitally transformed their complex vendor management process.

Since implementing the platform, the University has been able to streamline and establish tighter controls around vendor compliance, **while bolstering their virtual card program spend by applying consistent, visible, and favorable payment terms for their VCard program at the time of vendor onboarding.** With the introduction of “continuous digital virtual card enrollment”, the university has **eliminated the need for time-consuming, annual virtual card supplier recruitment call campaigns**, freeing time for staff to spend on more strategic initiatives.

The Difference Automation Makes – The Highlights

THE UNIVERSITY BEFORE PAYMENTWORKS

- A highly distributed vendor onboarding and management process that relied heavily on email
- Unsecure and inefficient processes involving vendor forms, W9s, banking information emailed, printed and manually entered into the ERP, passing through multiple employees
- Lack of transparency, process and governance to ensure compliance to internal policy and external requirements, putting federal research dollars at risk
- Reliance on phone call campaigns to recruit new vendors interested in accepting virtual card for payment



THE UNIVERSITY AFTER PAYMENTWORKS

- Automated vendor onboarding, compliance and approval processes
- Secured sensitive vendor information (W9s, bank accounts, etc.) protecting the university from PII (personally identifiable information) exposure
- Eliminated internal silos around vendor onboarding and created transparency around the end-to-end process with automated workflows
- Automated third-party data verifications to ensure compliance, including continuous sanctions monitoring
- Configured form and payment terms to positively influence payment selection at the time of vendor onboarding, **leading to continuous enrollment for new virtual card vendors**



Weighing their Options

In early 2020, the University proactively sought an end-to-end platform to automate, streamline and ensure tighter controls around their highly distributed supplier onboarding process. As the pandemic was unfolding, an important requirement for the system was the ability to securely convert suppliers onto electronic payment, such as ACH and virtual card. They had recently conducted a successful campaign with their bank to convert suppliers onto virtual cards; however, they believed the ongoing recruitment of new suppliers could be done more efficiently as part of the end-to-end supplier onboarding process. The University selected PaymentWorks as their digital platform for supplier onboarding and management.



Problem Solved

Like most public institutions, the University offers suppliers a choice of how they would like to be paid – which includes “virtual credit card” - a system offered by banks to enable organizations to convert suppliers to electronic payment and generate financial incentives (“rebates”) back to the University. **By implementing PaymentWorks, the University has grown their program organically by incorporating supplier virtual card recruitment into the digital onboarding process - thereby eliminating the need to do annual supplier recruitment campaigns with their bank.**

As part of the digital onboarding process:

1. Suppliers are given an option of how they would like to be paid , with more favorable payment terms shown for VCard
2. Suppliers select payment type.
3. Payment types are automatically established in the vendor record in the Banner financial system.
4. Banner creates a payment file sent to their bank to initiate the virtual card payment process.



The Results

Most virtual card programs experience 40% attrition over a three year period due to vendors opting for other payment methods. This attrition creates the need for annual call campaigns performed by the bank to keep the program constant and/or grow in profitability. The University has been able to keep their spend levels constant and even seen growth – without doing annual campaigns. The virtual card enrollment process within PaymentWorks is much more holistic, streamlined, profitable and efficient – enabling continuous enrollment of new suppliers during the normal onboarding process – and, simultaneously, alleviating the workload to create a better experience for their internal stakeholders and suppliers.

The University added 100 new virtual card accepting vendors during their first year, with no call campaign.

	Monthly	Annualized	Estimated Rebate+
June 2021 VCard Spend	\$1,320,000*	\$15,840,000*	\$190,000
June 2022 VCard Spend	\$1,390,000*	\$16,680,000*	\$200,160
Y/Y Increase with PaymentWorks	\$70,000*	\$840,000*	\$10,160

Additional Upside- the university replaced attrition with continuous digital enrollment

Cumulative Industry Average Annual Attrition (40% over a 3-year period - without annual campaigns)+	(\$171,600)	(\$2,059,200)	(\$24,710)
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* data provided by the university

+ calculated using industry statistics