

CASE STUDY

Dartmouth College

A systematic move from check to electronic payments for suppliers

Thanks to a college-wide initiative to move to a cashless and checkless campus, the Procurement Services team at Dartmouth College —with \$527M in A/P spend— was ready to move their suppliers off of check payments. When the pandemic unfolded, they found the perfect time to move to preferred methods of electronic payment: Virtual Card and ACH.

In previous years, the College had been successful in building a Virtual Card program as their exclusive form of electronic payment. However, it was several years since their last bank-assisted vendor recruitment campaign. They knew there was an opportunity to grow the program further by soliciting suppliers that had been onboarded since the last campaign.

With the implementation of PaymentWorks for digital supplier onboarding and management, the College now had a risk-free way to move to ACH, and a new lever to pull to encourage Virtual Card adoption.



DARTMOUTH

The Project

After conducting an analysis of their existing vendor file, several hundred vendors were identified as good candidates for Virtual Card payments.

The College then sent emails to the targeted suppliers requesting they register on PaymentWorks to update their existing information. This helped Dartmouth strengthen their regulatory compliance.

More than 56% of the targeted suppliers completed their registration on PaymentWorks. As a result, Dartmouth's existing Virtual Card spend increased by 8% annually. Additionally, they were massively successful in moving vendors off of costly and time consuming check payments to ACH.

Since implementing PaymentWorks, the College has seen 75% of onboarded vendor spend move from check to ACH or Virtual Card.

Results of the initial campaign by payment method

Payment Method	Percent of Suppliers that Choose that Method
ACH	72%
Virtual Card	15%
Check	11%
Wire	2%

What makes a good Virtual Card candidate?

- Good candidates can be identified by working with your bank.
- Your bank will likely focus on suppliers who have accepted Virtual Card for payment at their other customers.

Additional benefits of the digital Virtual Card campaign::

- **No phone calls.** The College staff was not required to make any phone calls to suppliers to sell the payment type. In between the bank supported call campaigns, the program can continue to grow—without much effort.
- **Less manual work.** By educating suppliers at the time of onboarding about how they will benefit from a Virtual Card, the staff had significantly less work to do. Staff no longer had to chase down interested vendors or unenroll those who didn't want to use Virtual Card.
- **Valuable data collection.** Suppliers that didn't select the Virtual Card option provided their reasons for opting out. This gave the College actionable data they now use to craft responses aimed at overcoming objections.
- **Significant decline in check payments.** The move to electronic payment types had a cost reduction upside by drastically reducing costly check payments.

Reason for opting out of Virtual Card? *

Select an Option

I can't make these decisions for my company ▲

I can't make these decisions for my company

We do not have the ability to process card payments

Card processing fees

Other

What is Next?

With this initial success, the College will continue enrolling new vendors following the same plan.

- 1 Identify good candidates by using the collected data points so the most likely acceptors are getting the Virtual Card education and option.
- 2 Regularly review their existing supplier file to send invitations to PaymentWorks to encourage ACH adoption as the second choice to Virtual Card.
- 3 Continue to impact the paperless goals of the College.

Advice to others looking to boost Virtual Card spend?

“When you have clarity on your form, you will only enroll the vendors who actually understand what a Virtual Card is. Use the PaymentWorks best practices recommendations on your form. Defaulting to Virtual Card as the first choice is great, but not if you don't tie it to terms and explain the benefits in a manner the vendor will understand.”

TAMMY MOFFATT, Director of Procurement Services, Dartmouth College

”

