

White Paper

Strategies to Maximize Your ePayables Vendor Enrollment

Overcome the misconception that vendors won't accept virtual credit cards, and learn tips for creating a best-in-class program



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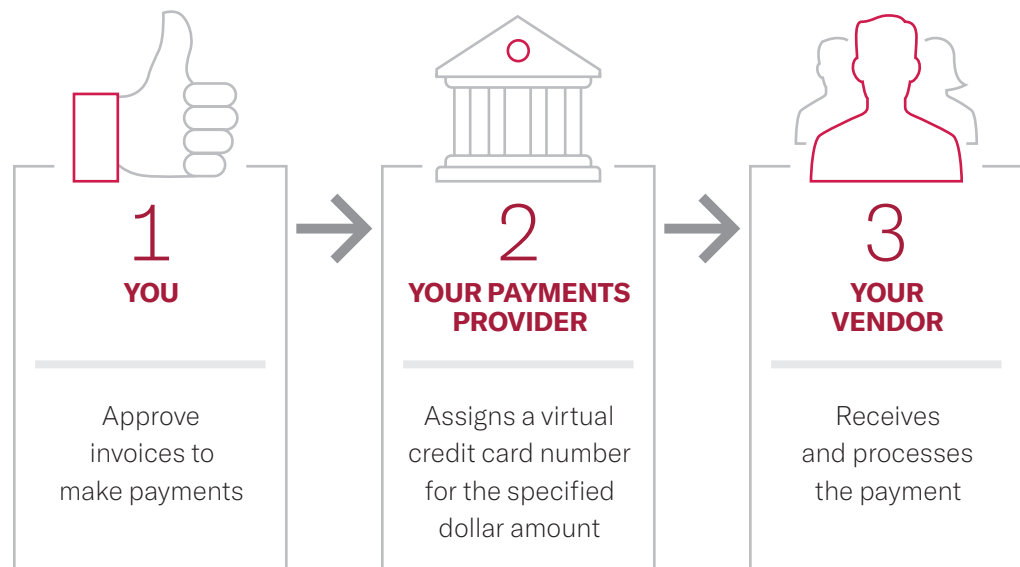
Vendor Enrollment Strategy

You're considering an ePayables program, or wondering if the one you have could be better. Either way, you probably have a lot of thoughts running through your head. Will our vendors even accept virtual credit cards? What's the best strategy for enrolling our vendors? Or why aren't more of our vendors accepting ePayables? Great questions! Read on to learn more about vendors' willingness to accept virtual credit cards, what a vendor enrollment strategy should look like, and why it is critical to the success of your ePayables program.

How Does a Virtual Credit Card Transaction Work?

Before we get into vendor enrollment, let's first cover exactly what a virtual credit card payment is. In a virtual credit card program, there are three major players (see chart below):

Figure 1. The Three Major Players



However, for this process to be as successful as possible, you (or preferably, your payments partner) must first enroll your vendors to accept virtual credit card payments.

But Are Vendors Willing to Accept Virtual Credit Card Payments?

Before you pay an invoice with a virtual credit card, you need to ensure that your vendor is equipped to handle that type of payment, i.e. they must be enrolled (or agree) and able to take credit cards from your partner of choice. This leaves many organizations skeptical about virtual credit card programs because they assume vendors won't take card payments.

Let's be honest: you will not be able to enroll all your vendors into your ePayables program. There will always be vendors who insist on continuing down the road most traveled, i.e. continue to only accept checks or ACH. However, more vendors are willing to accept virtual credit card payments than you might think.

Some of the most common reasons vendors cited for receiving card payments:

- **Improved financial controls** since checks can be lost or stolen
- **Prompt settlement** to help minimize payment delays, collection costs, and disputes
- **Detailed remittance information** including a list of invoices paid

Now that you're more confident about virtual credit card acceptance, let's cover the best approaches to maximizing vendor enrollment.

Why Do I Want to Enroll as Many Vendors as Possible?

The reasons are simple



Best Practices for Vendor Enrollment

To capitalize on the benefits of virtual credit cards and your vendors' willingness to accept card payments, the process and strategy used to enroll your vendors is the most influential facet of your program. Here are some things to consider:

Thoroughness

Make sure you attempt to enroll every vendor. Some providers will only target the vendors with whom you have the most spend volume. But attempting to enroll all your vendors *maximizes your rebate revenue and, more importantly, eliminates more checks.*

Timing

The rollout of your vendor enrollment campaign should coincide with when you are ready to start making payments with virtual credit cards. Starting too early could cause confusion for your vendors. *Starting too late means you miss out on valuable rebate revenue and cost reductions.*

Communication Types And Frequency

A successful vendor enrollment campaign should include direct mail, email, and phone communications. The specific cadence for each communication type will differ from company to company, but your payments partner should work with you to determine the optimal plan for your business. Additionally, a reputable partner will supply you with communications templates to use throughout your campaign.

Messaging

The messaging to your vendors should be segmented to make sure the tone, wording and communication type are appropriate for the audience; a one-size-fits-all strategy probably won't work. For example, *create separate messages for your strategic suppliers* (typically a small percentage of vendors who represent a large percentage of your spend) by industry or by type of supplier. Communicate how important this payment program is to you and why they should agree to accept card payments. If they need convincing, use the stats and reasons above.

Establish Reporting Mechanisms

Set enrollment goals and expected ROI, and develop tracking tools to monitor your campaign. Your payments partner should also proactively review your vendor enrollment program throughout the process, and continuously update you on your successes and areas of opportunity. The most effective partner will give you the control and guidance you need to achieve success.

Additional Incentives and Penalties

To truly maximize vendor enrollment, you should *make card acceptance as attractive as possible for vendors*. Consider offering accelerated payment terms to vendors who enroll, or mandate longer terms to those who won't (or both).

Get Involved

Don't hesitate to participate in the enrollment campaign yourself. A call or email from your CFO or controller goes a long way in getting vendors on board. Also, your AP staff should always be looking at invoices — some vendors state on the invoice that they accept card payments. That's low-hanging fruit! You can even create rewards and contests to get your staff engaged.

Choose the Right Program Provider

Vendor Matching Services

Look for a payments partner who offers vendor matching services. These services will help you determine which of your vendors already accept virtual credit card payments and who you can start paying right away.

Long-Term Support

At the onset of your program, there is typically an initial push to enroll vendors. But what happens after your initial campaign? You are going to change vendors, add new ones — or maybe an old vendor who previously declined credit card payments turns over a new leaf. How will your provider target those new vendors? A good partner will have a plan in place to continually campaign your vendors throughout the life of your program, including advanced enrollment methods.

In-House vs. Outsourced Vendor Enrollment Teams

One of the first questions you should ask your virtual credit card provider is whether their vendor enrollment team is outsourced. Some providers even rely on the sales rep who sold you the service to do the vendor enrollment themselves — or worse, they leave it to you. In theory and practice, having a dedicated in-house vendor enrollment team at your card provider is usually the most profitable option.

Summary

A strong vendor enrollment strategy is crucial to the success of your company's ePayables program. Educating vendors on the benefits of enrolling and making it easy for them to enroll can not only help you to achieve your program goals, but can also help strengthen the relationship between your company and your vendors.

About Corpay

Corpay is a global leader in business payments, helping companies of all sizes better track, manage, and pay their expenses. Corpay provides customers with a comprehensive suite of online payment solutions including Bill Payment, AP Automation, Cross-Border Payments,

Currency Risk Management, and Commercial Card Programs. As the #1 B2B commercial Mastercard® issuer in North America, Corpay handles over a billion transactions each year. Corpay is part of the FLEETCOR (NYSE: FLT) portfolio of brands. To learn more visit www.corpay.com.

To optimize your vendor enrollment strategies, reach out to our payment experts at www.corpay.com