

White Paper

# Best Practices for Implementing a Virtual Card Program

Internal strategies to ensure a successful virtual card program for vendor payments



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# Getting Underway

Congratulations! You've convinced your executive team to implement a virtual credit card program to pay your suppliers electronically — that's something to celebrate! You have taken the first step in automating your AP processes, improving your profit margin, and reducing paper checks. Now it's time to implement your program so you can start reaping the rewards.

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It takes a village to operate a successful virtual card program, and you're going to need help to support your entire organization far beyond implementation. In order to optimize vendor enrollment, rebate strategy, and competitor benchmarking, you need to manage your virtual card program from one year and beyond.

By implementing best practices or a change-management strategy, you're much more likely to attain your program goals and earn more rebates.



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The executive sponsor should be a senior leader who is committed to leading the organization toward the defined goals and objectives of your program.

## Designate an Executive Sponsor

Before kicking off your virtual card program to the entire organization, you need to get all of your ducks in a row. The first step is designating an executive sponsor — typically a senior leader who is committed to leading the organization toward the defined goals and objectives of your program. The executive sponsor will hold people accountable for a quick implementation and ongoing results. Have your executive sponsor launch the program through a company-wide communication to validate that the project is a salient one.

## Rely on a Strong Leadership

The executive sponsor will also play a key role in your vendor enrollment strategy. You can leverage their position in order to contact strategic high-spend vendors and sign vendor campaign letters. Having executive support is important, and will help ensure you get the long-term backing your program needs.

## Identify a Dedicated Program Owner

Next, identify a dedicated virtual credit card program owner. Typically a leader in the AP department is a natural fit, because they're both familiar with the day-to-day pains of the AP shop, and knowledgeable of internal processes.

### Goals of the Program Owner

- **SERVE AS THE INTERNAL PROJECT MANAGER** for implementation and initial ramp-up.
- **BE THE DESIGNATED POINT OF CONTACT** for the provider-of-choice.
- **DISCOVER SUPPLIER RELATIONSHIPS** by researching and identifying potential accounts who will accept virtual card.
- **BUILD RAPPORT AND EDUCATE VENDORS** about program features and benefits in order to increase enrollment and improve overall satisfaction.
- **CREATE GOALS AND MONITOR PLAN EFFECTIVENESS** periodically while continually presenting new and innovative ideas.
- **IDENTIFY TRENDS AND DEVELOP METRICS** in supplier satisfaction, program growth, and attrition.
- **WORK ACROSS THE ORGANIZATION** (business units, procurement, treasury, and accounts payable) to educate employees regarding the value of AP card payments.



Time-specific goals can provide metrics and motivation

## Set Program Goals

Setting program goals is a critical part of your virtual card implementation. Not only will it motivate your vendor enrollment and program buy-in efforts, but it will also provide metrics against which you can consistently benchmark yourself. *You should set specific, time-bound goals, such as a percentage of spend enrolled or monthly rebate amounts.* A good starting point is to aim for 3–5% of your organization's annual revenue.

Incorporate these goals into your organization's budget, and ensure that the goals are widely distributed to all participating departments and functions. Keep these departments cognizant of your current program progress, and reward them for attaining goals as they are reached. This will motivate procurement to build vendor relationships as the program starts, and with every new vendor.

## Promote and Launch the Program Within Your Organization

Your AP department is not the only business unit that has strong relationships with vendors, which is why virtual cards should be a company-wide effort. Hold a cross-functional virtual card kickoff that includes the executive sponsor, your CFO, accounting, and procurement.

Branding your program with your logo is a good way to identify and explain the program across the organization. You should also establish a presence on your corporate intranet for your program as an easy way to keep your organization informed.

### Ideas for Keeping Everyone in the Loop

- Comprehensive explanation of the program and its benefits.
- Frequently Asked Questions and AP definitions.
- Annual program goals and progress toward meeting them.
- New vendor set-up form/contract/agreement that includes electronic pay as a preferred payment method.
- Key vendors already participating in the program.
- Check-stuffer letter, new vendor form, negotiation checklist, and sample vendor letter.



Actively engaging all of the departments will align goals across all departments and ensure cohesiveness as the program grows.

Another idea to keep departments engaged is to pass the rebate back to the particular business unit associated with the specific vendor who generated the revenue. This allows them to see the tangible reward of their enrollment efforts. However, this often depends on your organization's structure and philosophy. The bottom line is that actively engaging all of the departments will align goals across all departments and ensure cohesion as the program grows.

A successful implementation is key to your virtual card program. You need to ensure the executives and the entire team are on board from the onset of the program. Designating an executive sponsor and a program owner to create goals and promote the program internally should be your first steps after signing on the dotted line. It is their responsibility to keep the appropriate teams aware of the progress of the program. This means communicating how many vendors are enrolled, how many rebates they have earned, and where that money is going.

## About Corpay

Corpay is a worldwide comprehensive payments provider for businesses. Our full suite of solutions — ranging from corporate payment cards to domestic and international payment automation — empower companies to potentially reduce their entire payment automation process to a

single payment per cycle, with reduced risk and minimal reconciliation effort. Our card and payment automation solutions provide efficiencies and cost-savings, while our cross-border payments and currency risk management solutions enable you to recognize success across the globe.