

Rethink your payables strategy to help you unlock more cash

Government Treasurers' Organization of Texas
Winter Seminar 2021
February 22, 2020

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Local government where we are today:

- COVID is a nightmare
- Uncertainty is rampant
- Tax collection and fee income is inconsistent to non-existent
- Trends are unpredictable
- Supply Chains (even locally) are being interrupted
- Work: Life balance has become an interesting topic for many working remotely

Our current payables environment

Traditional

Maintain the status quo/safety in familiarity

Receive

Invoices in, review them ASAP
(review)

Print and mail once reviewed

- Keep the process going
- Majority check payments
- Extremely manual and inefficient

Review

Data at the end
of the month to
reconcile

Unintended consequences in status quo

Risk

your security, your control, and your business continuity

Minimize

your ERP investment and AP processing too much manual work

Increase

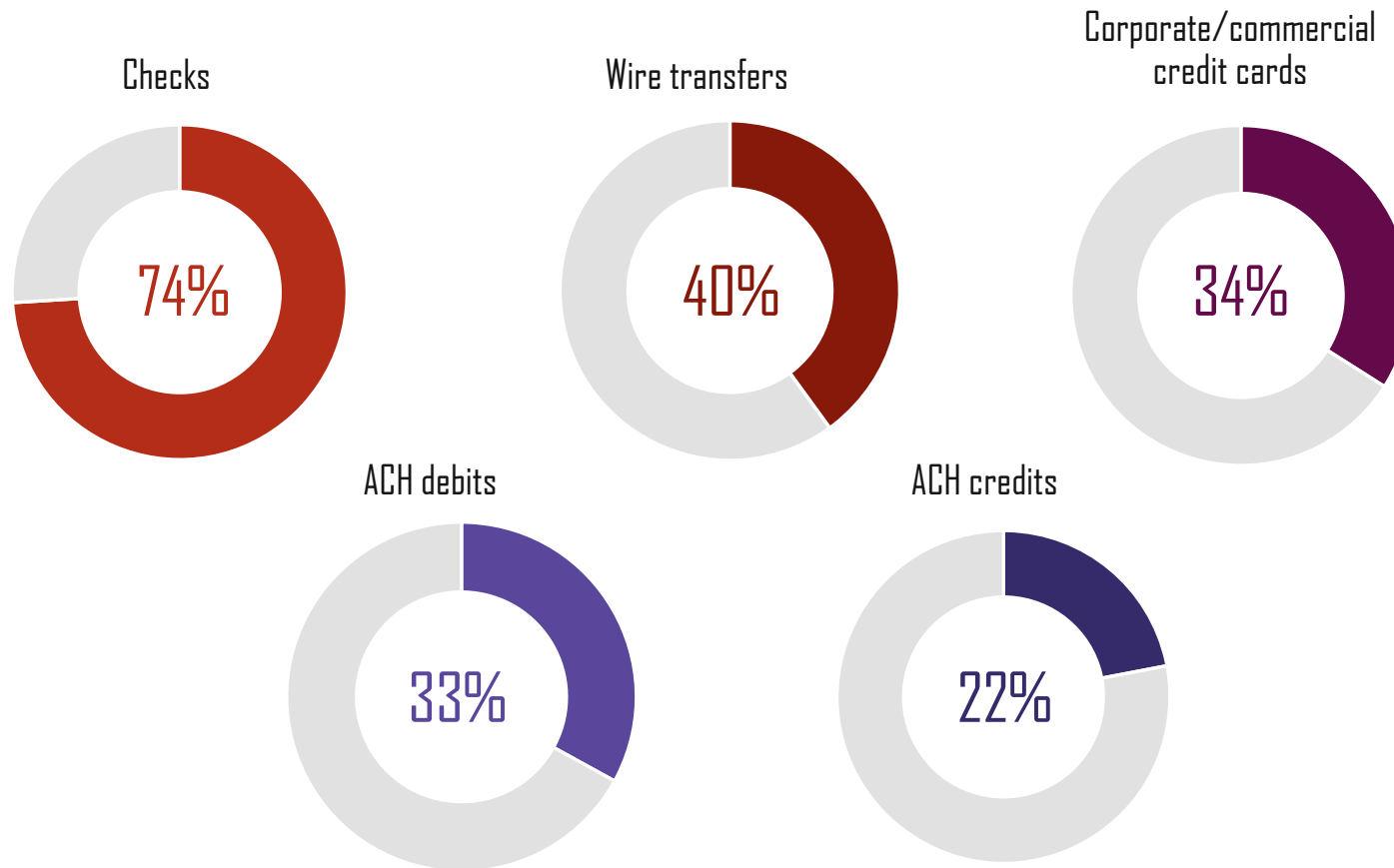
your processing costs and manual data entry

Marginalize

your working capital and cash forecasting

Risk: Are your payments a target for fraud?

Organizations that experience fraud by payment type



Minimizing Technology: Mind the gaps

Manual processes create gaps in visibility that lead to significant losses of time and increase risks due to fraud

Paper checks
and invoices

No audit trail

Email-based
approval

Manual
reconciliation

Increase your focus on fraud mitigation

- Dual approval for high-risk transactions

- Account validation practices

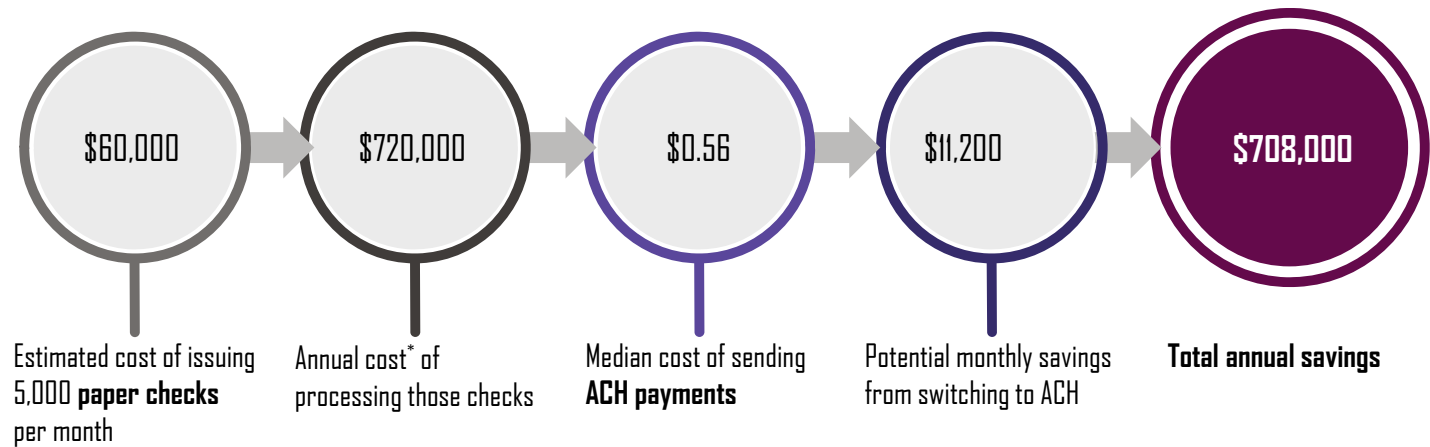
- Mobile access to fraud features

- Positive pay and ACH fraud filter

- Employee training and increased awareness
- Reduce checks add electronic payments (ACH, Card and *Zelle*)
- Incorporate Business Continuity Planning

The true cost of paper

According to an AFP Payments Cost Benchmarking Study*, manually processing checks increases costs by 37% each month



How many hundreds of thousands of dollars have you potentially overpaid?

*Source: 2015 AFP Payments Cost Benchmarking Study is the most recent publication of this study as of August, 2020.
†Using median cost of \$1.50.

What cost savings are you missing?

Nearly
80%

of organizations are in the process of transitioning their business-to-business payments from paper checks to electronic payments

Cost per payment

Wire
\$14.42

Check
\$3.00

ACH
\$0.56

Median cost to send a payment includes internal and external costs such as bank/payment processor fees, reporting, personnel, technical equipment, IT support, interchange fee.

Where do we go from here?

Automate, update, protect, save, and survive

Pay who you need to pay. Pay when you need to pay them. Pay them how they want to be paid.



Integrate
with ERP system

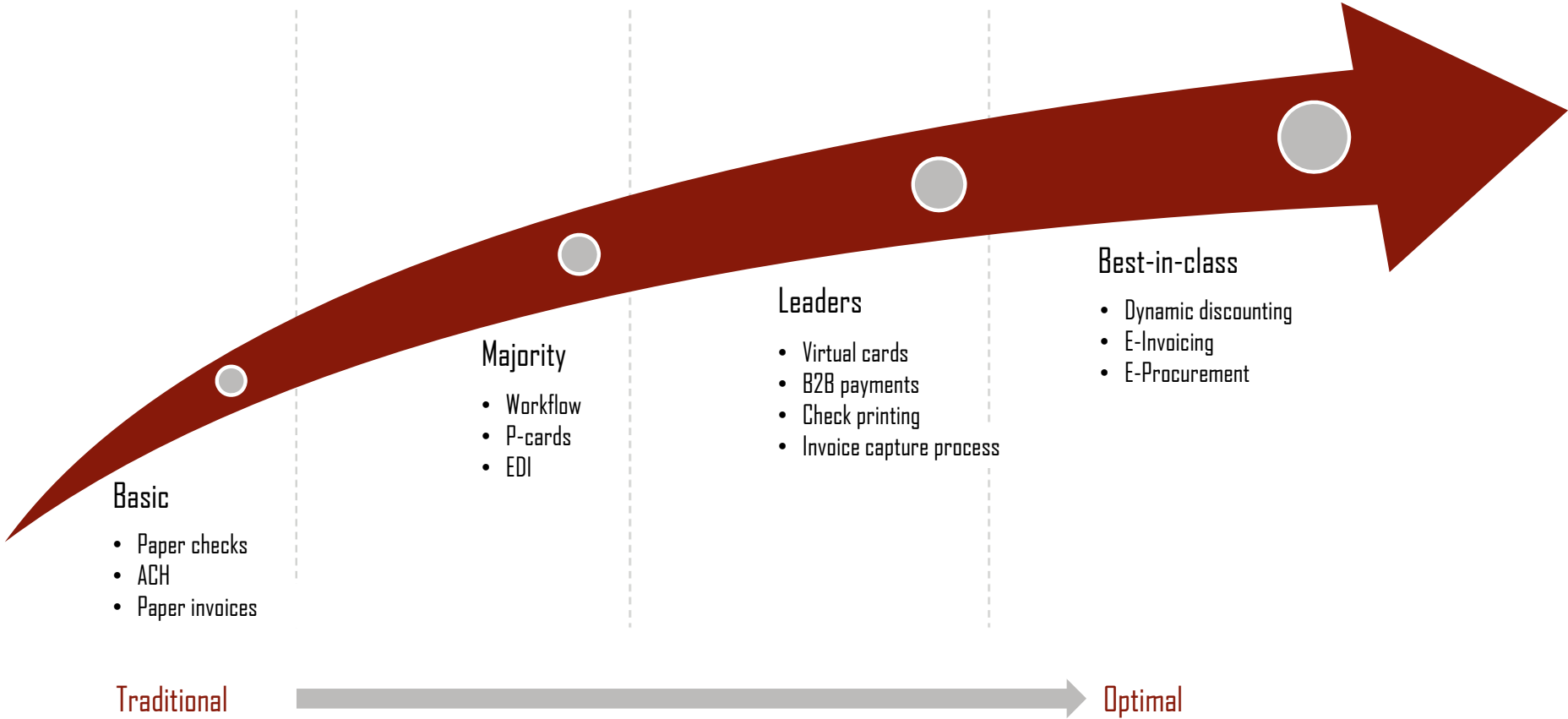
Send one file with all payments

- ACH, checks, wires, virtual cards and Disbursements with *Zelle*®
- Custom and proprietary file formats
- Addenda and remittance information
- Time payments to arrive on due date

Receive
payment data
for account
reconciliation

Optimize your ERP

Where are we today?



Intended consequences of automation

Leveraging your current technology investment

Reduce

your processing costs and manual data entry

Optimize

your ERP investment, AP processing and flexibility supplier knowledge

Increase

your security and control to avoid fraud

Improve

your working capital and cash forecasting

Setting a new course

Staggered payments and direct purchases

Governments tend to pay too quickly

- Direct purchases for capital projects
- Check - 30 days after invoice
- ACH - 14 days after invoice
- Card - 3-5 days after invoice

RFPs for projects, ask how vendor will accept payment

- Line of credit for supplier – faster payment
- Float for client average 22 days up to 45 days
- Potential rebate/revenue share & a bit of interest

Strategies to help you boost your working capital

"Companies which excel in their management of working capital have a real competitive advantage."

- PwC

- 1 Capture more early payment discounts
- 2 Gain better visibility
- 3 Reduce cycle time
- 4 Cut processing costs
- 5 Optimize float

Analyze & optimize your supplier relationships

Supplier Analysis and Onboarding

Combines industry experience and proprietary technology for comprehensive supplier enrollment campaign

- Potentially reduce payment and operational costs
- More efficient reconciliation
- Improved cash forecasting
- Reduced risk of fraud
- Assist in achieving faster program adoption rate



Different payment types: virtual credit cards

Less cost, longer payment cycles, and potential income

How it can work for you: giving customers and suppliers a choice

Reduced fraud exposure

Use a unique virtual card number to pay each invoice from your suppliers

No more late payments

The dashboard shows payments that are expiring soon, so you can take action to avoid supplier inquiries or payment void and reissues

See everything in one place

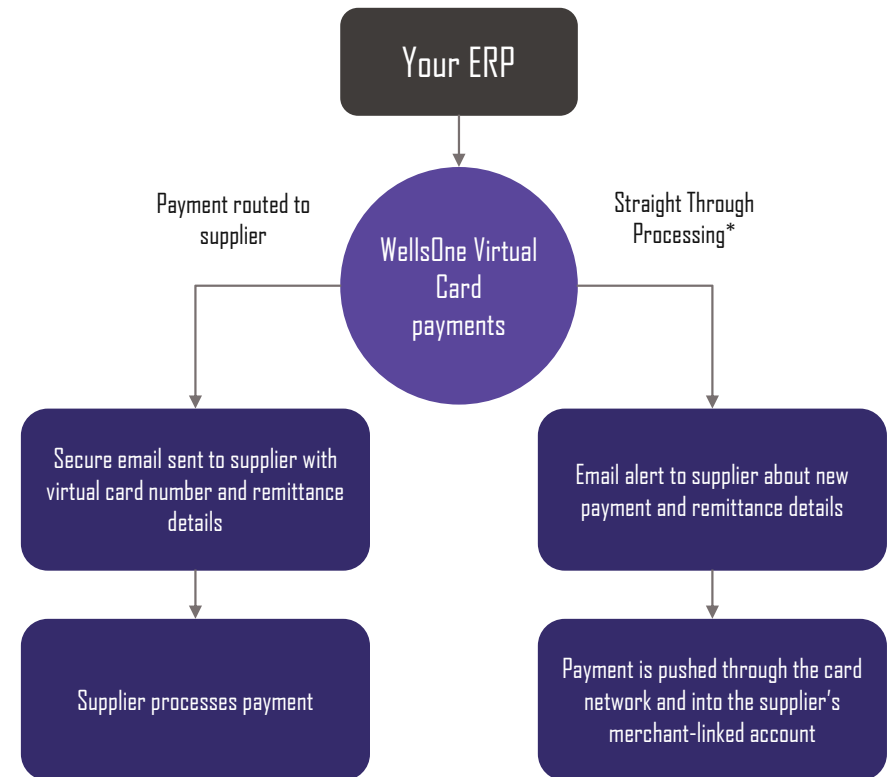
End-to-end workflows allow for searching and editing payments

More control

Our proprietary logic route your payments via email notification or Straight Through Processing, based on parameters you set

Same cards, same service

Existing customers will keep their existing cards and benefits, and the familiar servicing channel through the WellsOne® Service Center



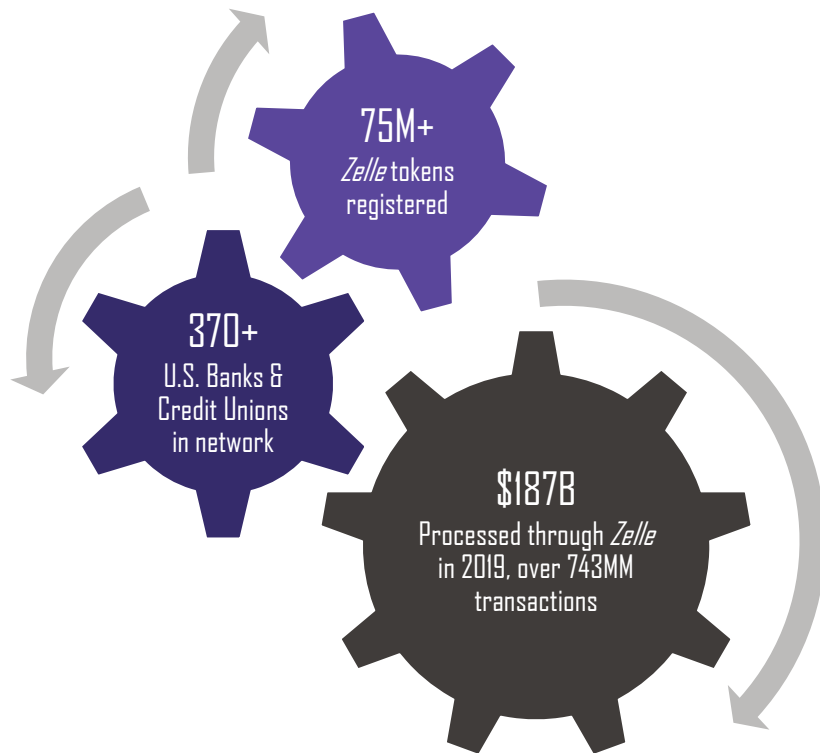
This is a dual brand solution (Visa or Mastercard)

*Supplier must have ability to support buyer-initiated payments.

New Payment Types

Working capital management best practices

The *Zelle*® network



Alias-based directory

Connects national's leading financial institutions

Supports Peer-to-Peer (P2P) and Business-to-Consumer (B2C) disbursements

Intended benefits of extending time to payment

“Companies are negotiating longer payment terms, shrinking inventories, and encouraging customers to pay sooner.”

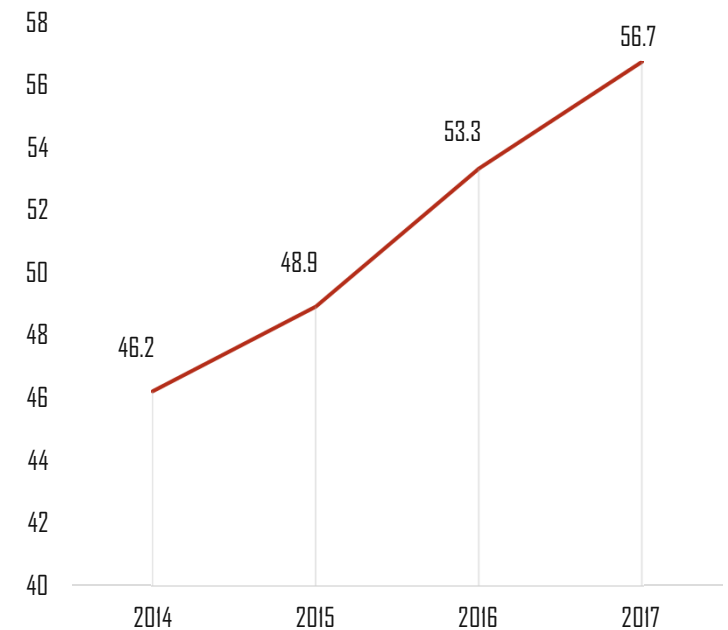
-Wall Street Journal

70% of purchasing card users paying invoices improve working capital by extending time to payment¹

Unlock more working capital

Collaborate with suppliers

Average days payable outstanding



¹ RPMG Research Corporation, "2017 Corporate Purchasing Card Benchmark Survey Results."

Source: Wall Street Journal, "Delaying Payments to Suppliers Helps Companies Unlock Cash," 2018

Conclusions

Build a Payment Solution for the future

- Mitigate fraud risk
- Maximize the latent technology of your ERP and other software through automation
- Add payment types that allow for exact timing, increasing days payable, and reducing costs and adding revenue
- Know your suppliers: better terms and for uninterrupted service
- Work with your financial partner to help you improve your processes
- Staggered Payment Strategy

Questions