

2022 VIRTUAL CARD SOLUTIONS SURVEY RESULTS



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WHAT

Discuss the results, analysis and takeaways from the 2022 Virtual Card Solutions Survey.



WHEN

Tuesday, October 11, 2022
11:00 AM – 12:00 PM EDT



WHERE

Live online presentation
Replays at StrategicTreasurer.com



ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



ANKUSH GUPTA

Ankush Gupta is Senior Vice President of US Commercial Products, Platforms and Acceptance at Mastercard. Prior to Mastercard, Ankush held senior roles in Global Strategy, Operations and Business Development at Starwood Hotels and Resorts Worldwide and led Sales, Corporate Finance and M&A initiatives at Barclays.

Ankush graduated with honors from Johns Hopkins University with a BA in Economics and a Minor in Entrepreneurship and Management. He subsequently received his MBA from Harvard Business School. Ankush resides in New York City with his wife and two children.



CRAIG JEFFERY

Craig Jeffery formed Strategic Treasurer in 2004 to provide corporate, educational and government entities direct access to comprehensive and current assistance with their treasury and financial process needs.

His 30+ years of financial and treasury experience as a practitioner and as a consultant have uniquely qualified him to help organizations craft realistic goals and achieve significant benefits quickly.

TOPICS OF DISCUSSION

KEY AREAS OF FOCUS &
ANALYSIS



ABOUT THE SURVEY
KEY POINTS OF INTEREST



**PAYMENT SPEED
MATTERS**

CONCERNS AND MOTIVATORS



PAYMENT SECURITY
A TOP CONCERN



VIRTUAL CARD USAGE
CONSIDERATIONS



**EXPECTATIONS AND
VALUE**
CORPORATES AND BANKS

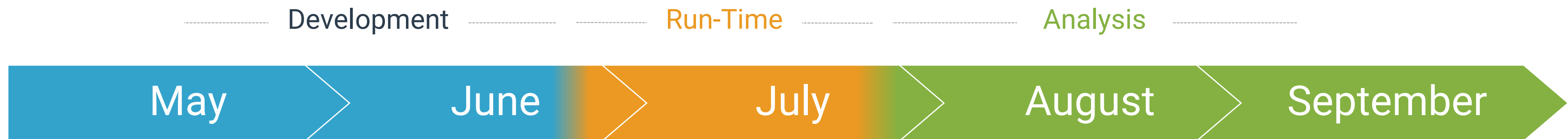


KEY TAKEAWAYS
AND FINAL THOUGHTS



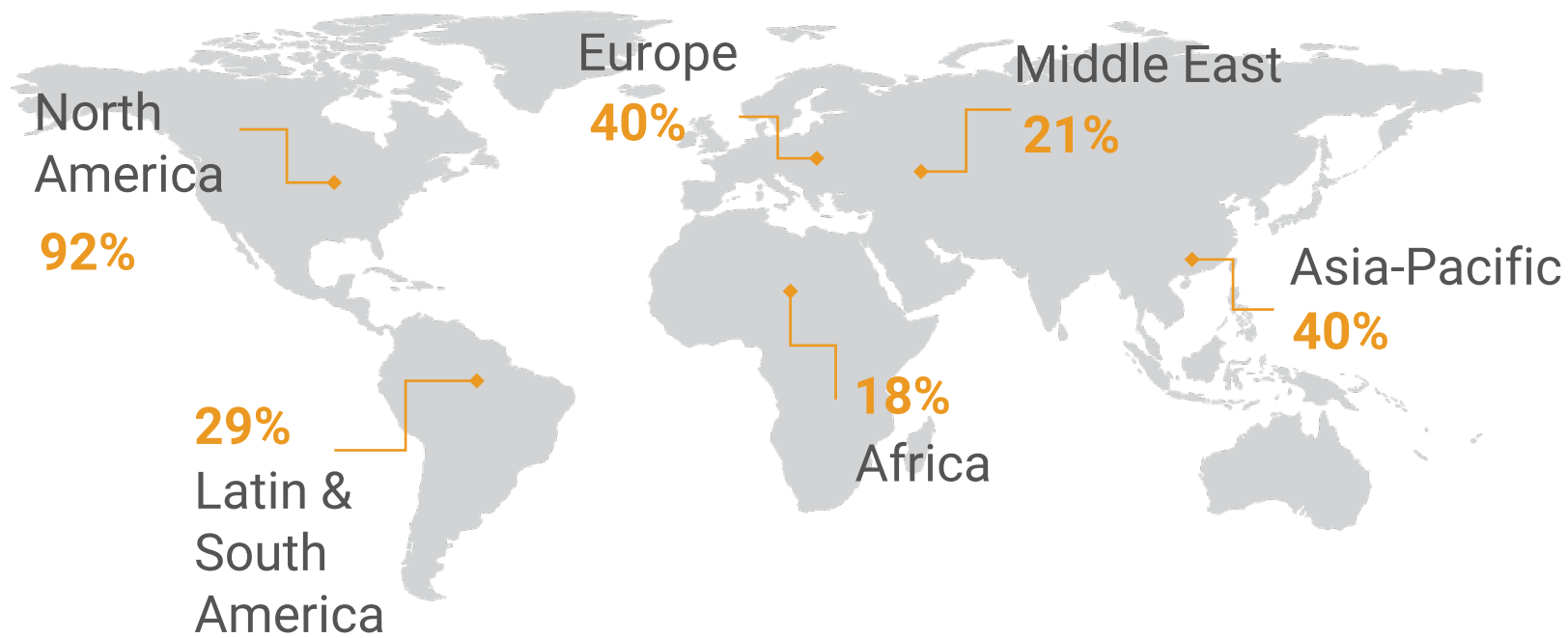
SURVEY QUICK STATS

2022 VIRTUAL CARD SOLUTIONS SURVEY

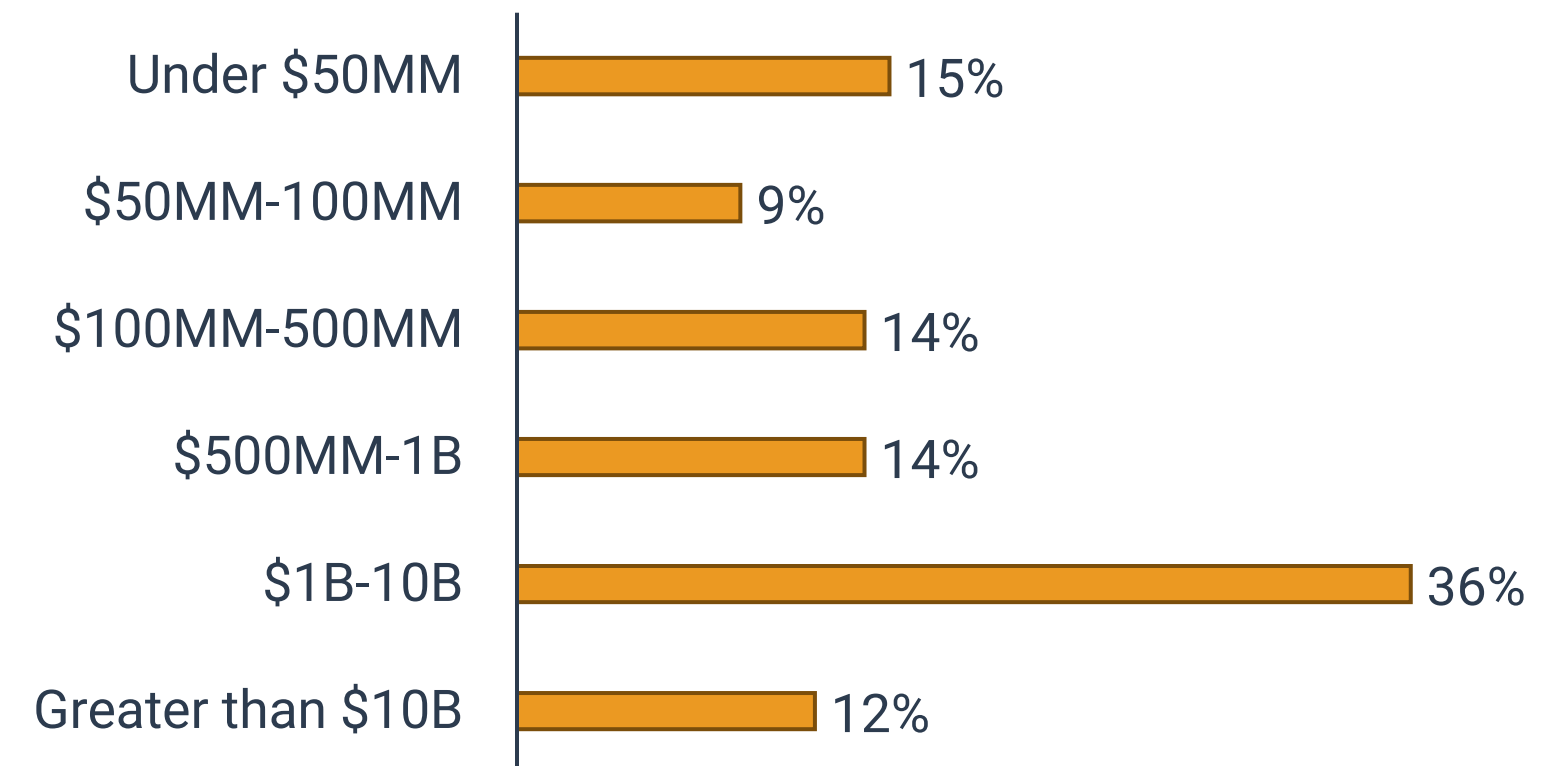


- 150+** Respondents
 - 76% Corporates
 - 24% Banks
- 1st** Year of Research
- 4** Week Survey Run-Time
- 50+** Questions

Regions of Operations

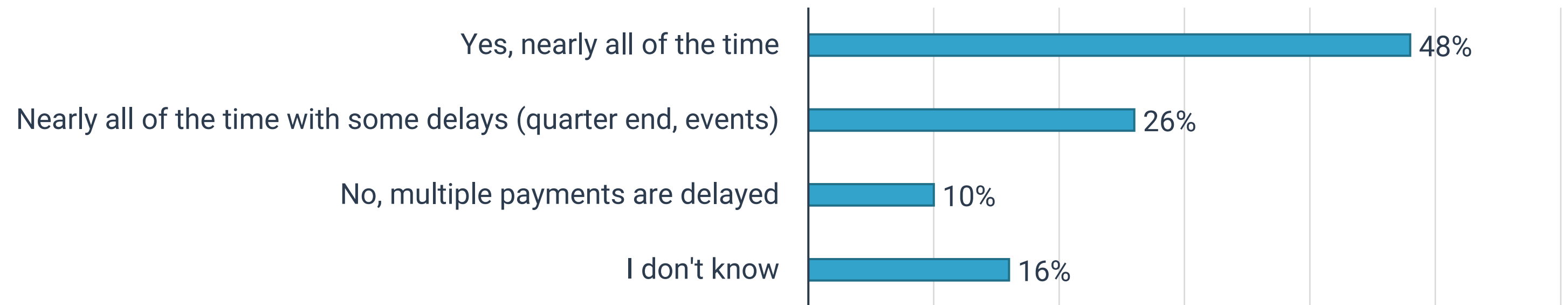


Corporate Respondent Annual Revenue

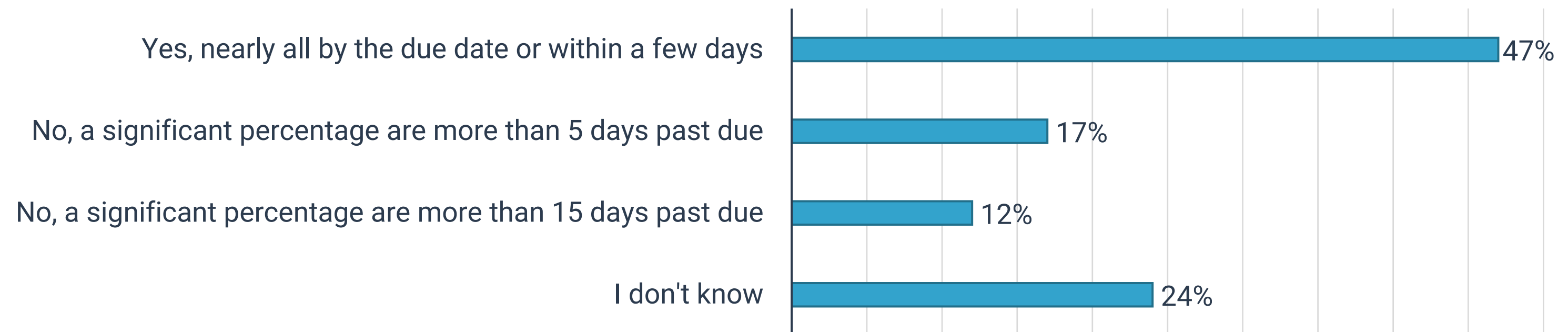


POLL QUESTION

Poll 1 - We make our payments within our standard terms:



Poll 2 - We receive our payments within standard terms:

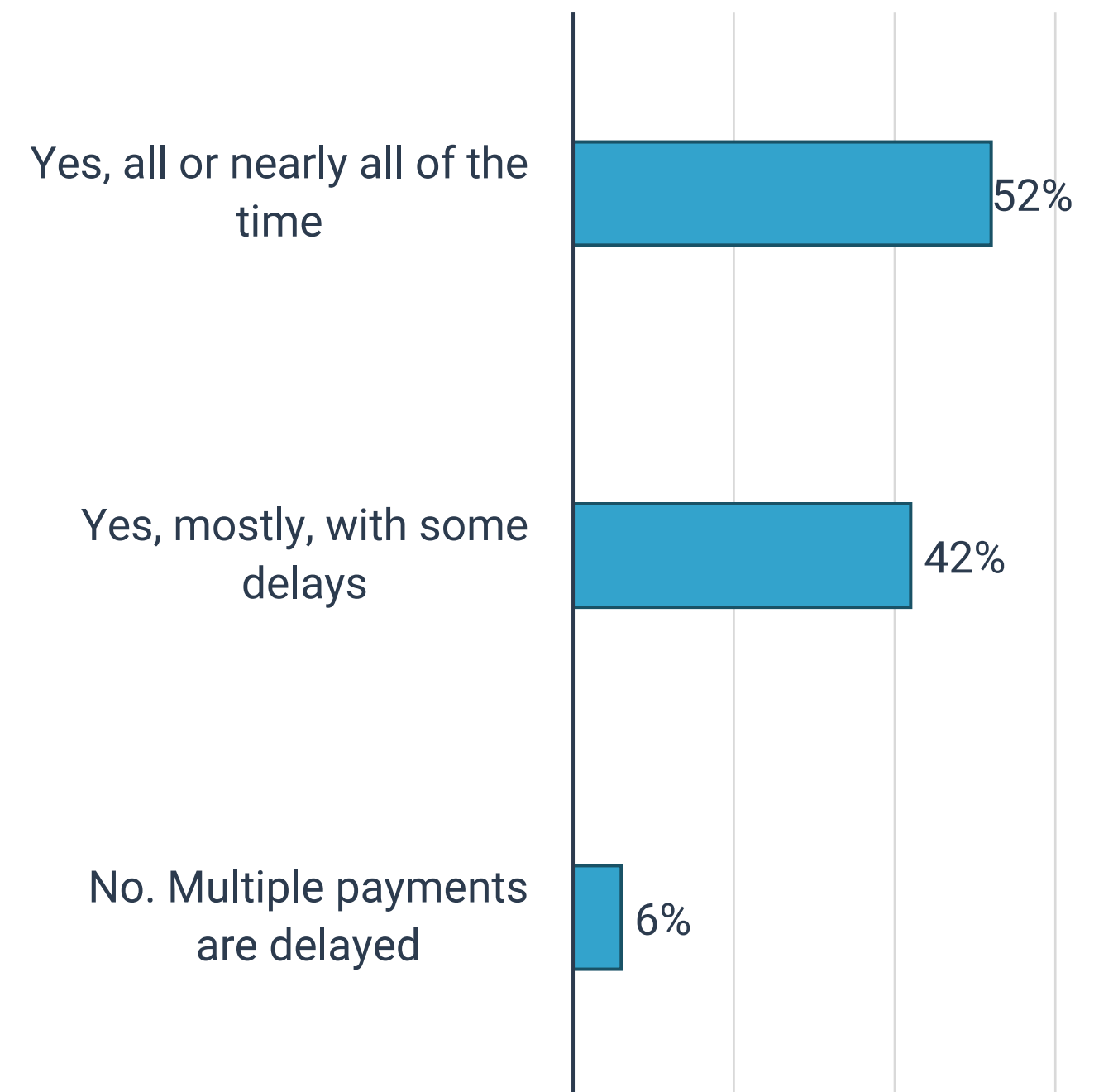
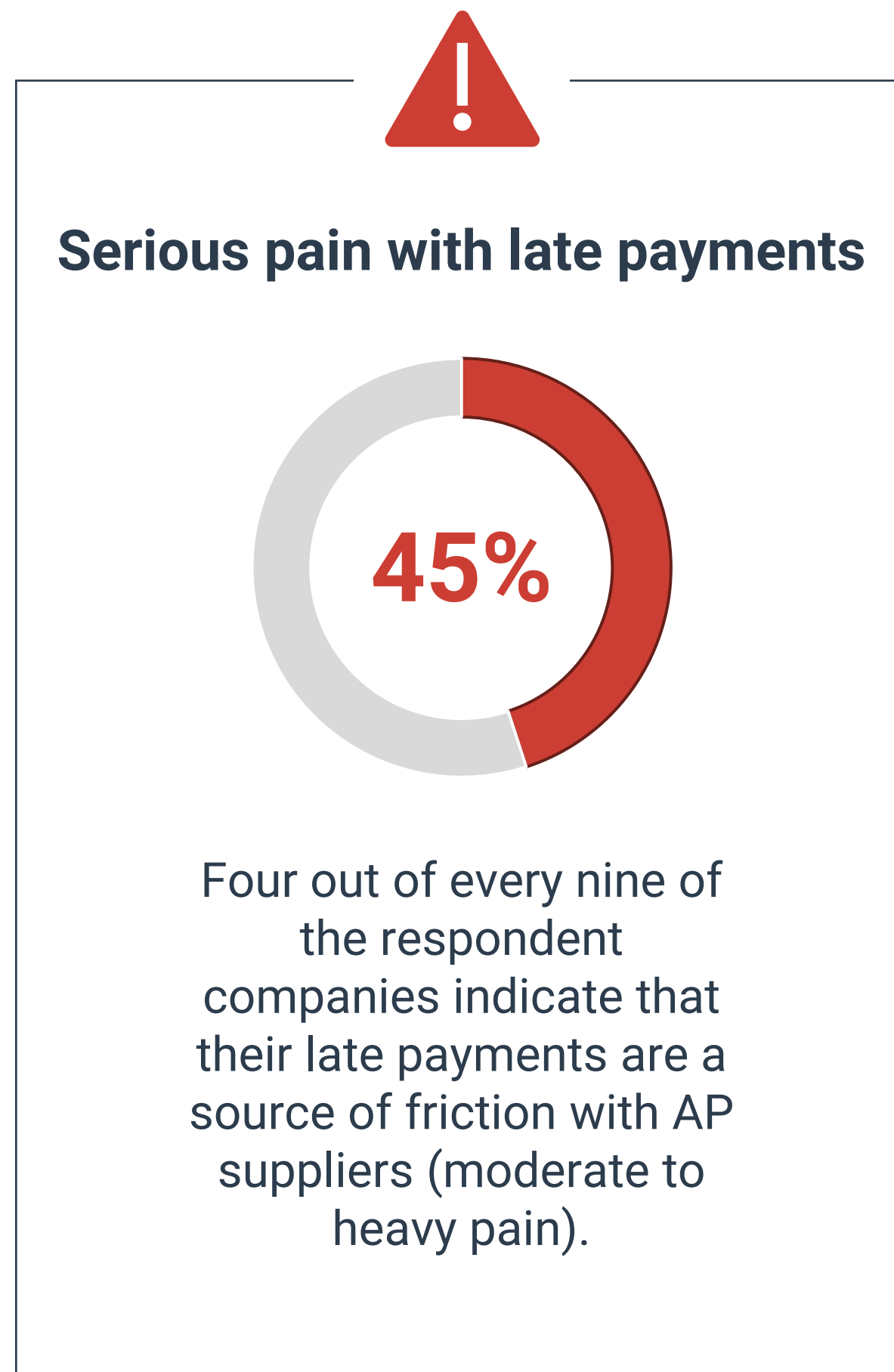




PAYMENT SPEED MATTERS

VARIOUS PERSPECTIVES

» We make our payments within our standard terms.

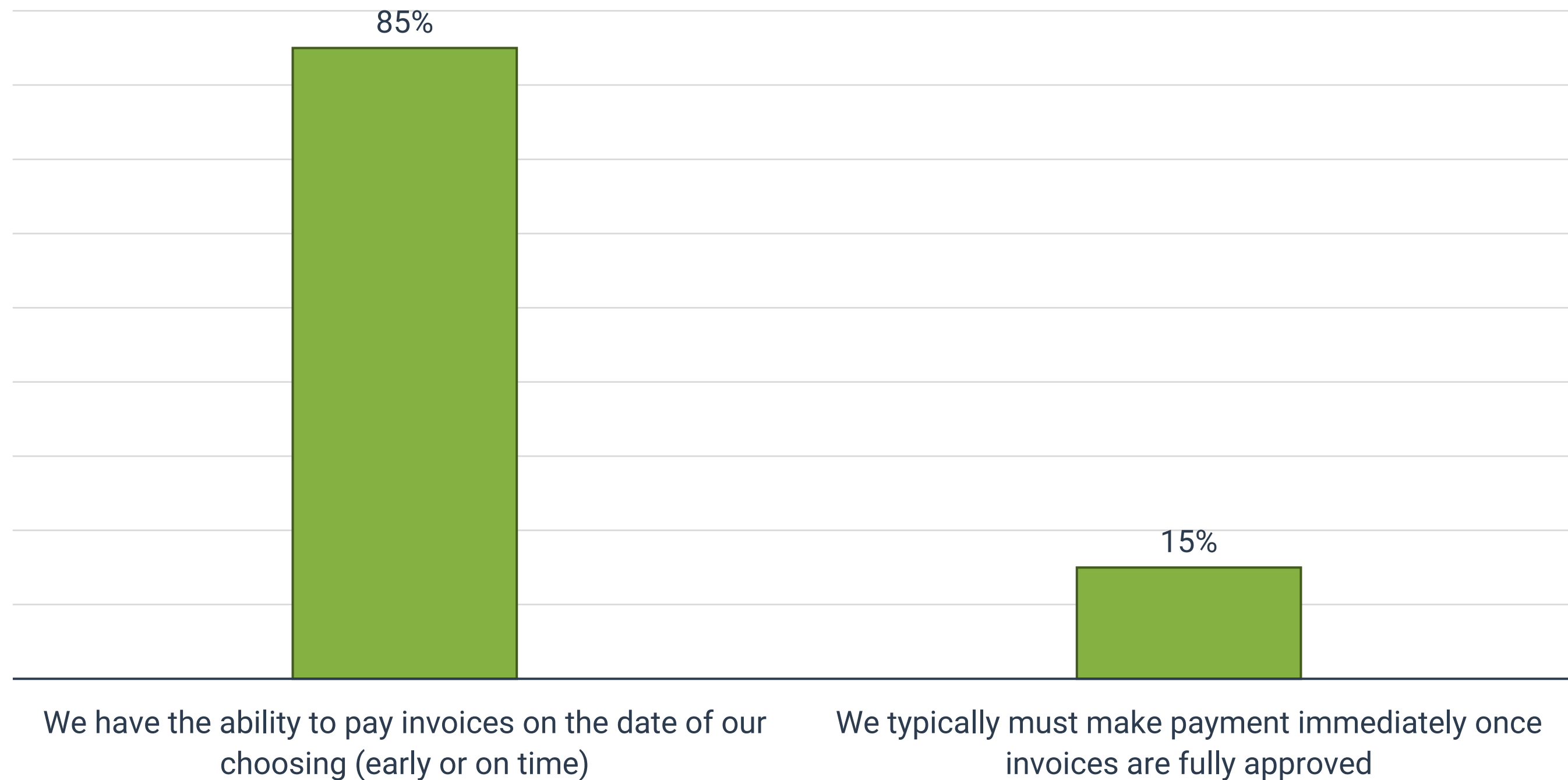


21% of firms pay late 20% of the time or more

INVOICE APPROVAL PROCESS

EFFECTS ON PAYMENT OPTIONS/FUNDING

» The following describes our ability to make payments.

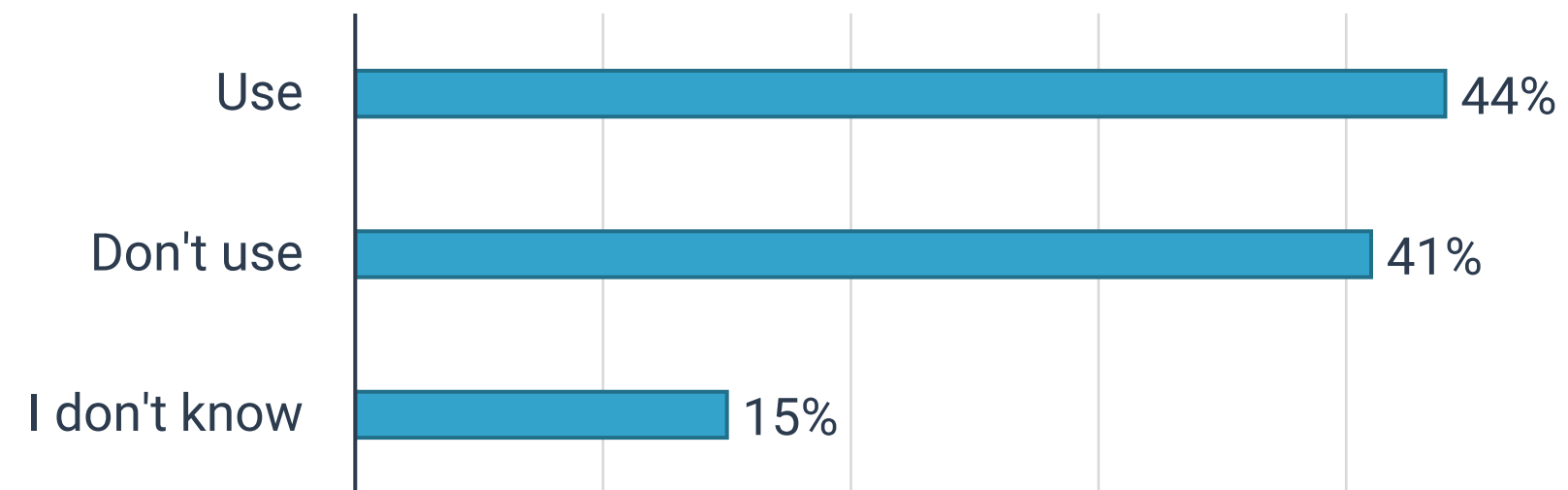


Completing the approval process prior to a payment being due allows 85% of companies to take advantage of early payment options/funding when desired and available.

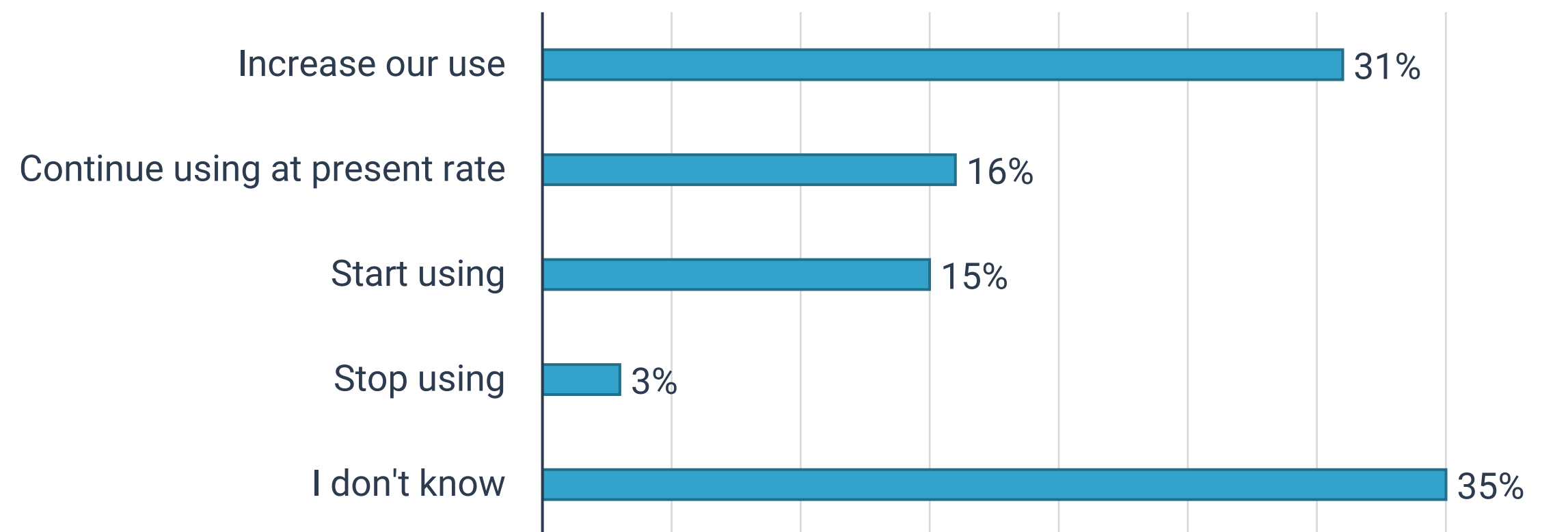


POLL QUESTION

Poll 3 - For payments with virtual card we:



Poll 4 - Our plans for virtual card use are to:

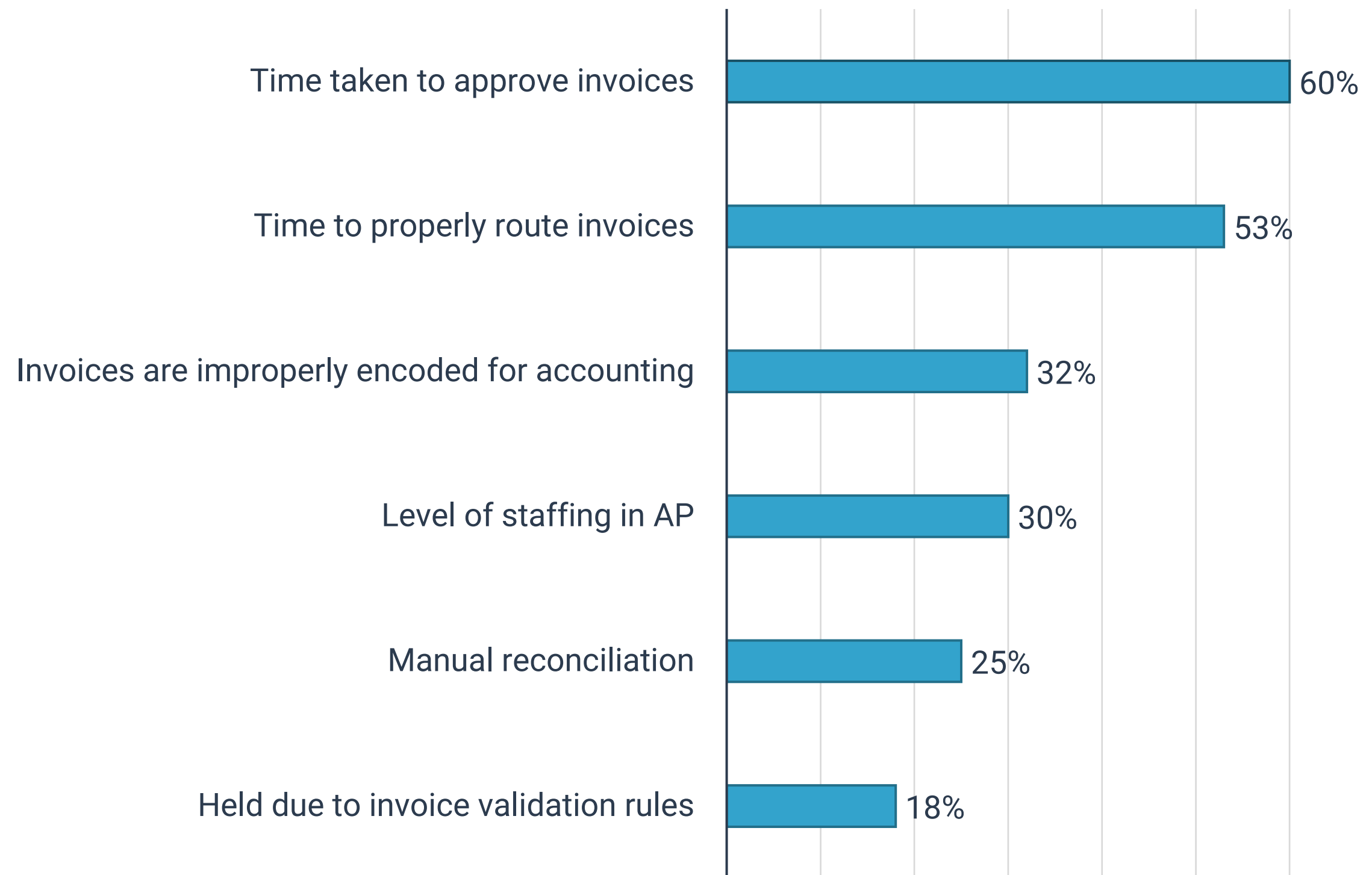




SPEED LIMITERS

WHY INVOICES AREN'T APPROVED FASTER

» What limits your organization from approving invoices faster? What causes exceptions? (Select all that apply)



Note: Only top choices of respondents shown

PROMOTING VIRTUAL CARDS

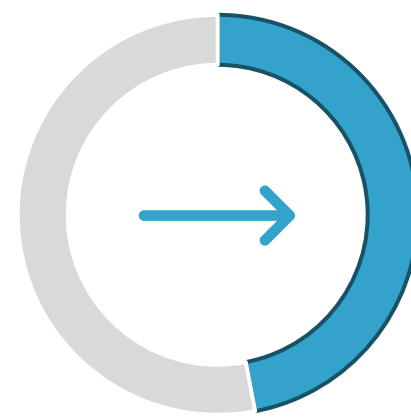
EMPHASIS ON SPEED

» How does your organization position virtual card acceptance to your suppliers? (Select all that apply)



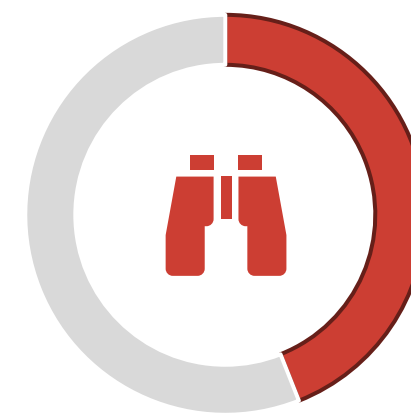
72%

Getting paid faster



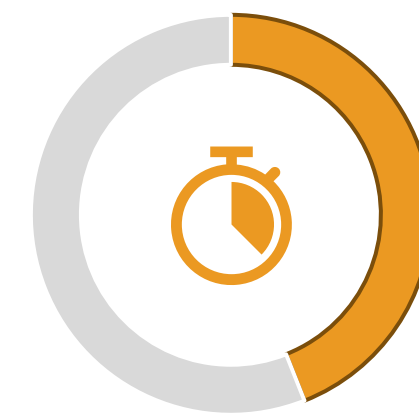
47%

Efficiency. Better integration into their systems



44%

Visibility. Vendor being able to KNOW when they are getting paid (no calling, date certain)



44%

Carrot and stick approach. Take the card and get paid in 15 days, ACH in 75

OFFERING ACCELERATED PAYMENTS

FOR VIRTUAL CARD USAGE



56% offer payment term acceleration to suppliers who accept virtual cards



Most offer more than 10 days improvement in payment acceleration

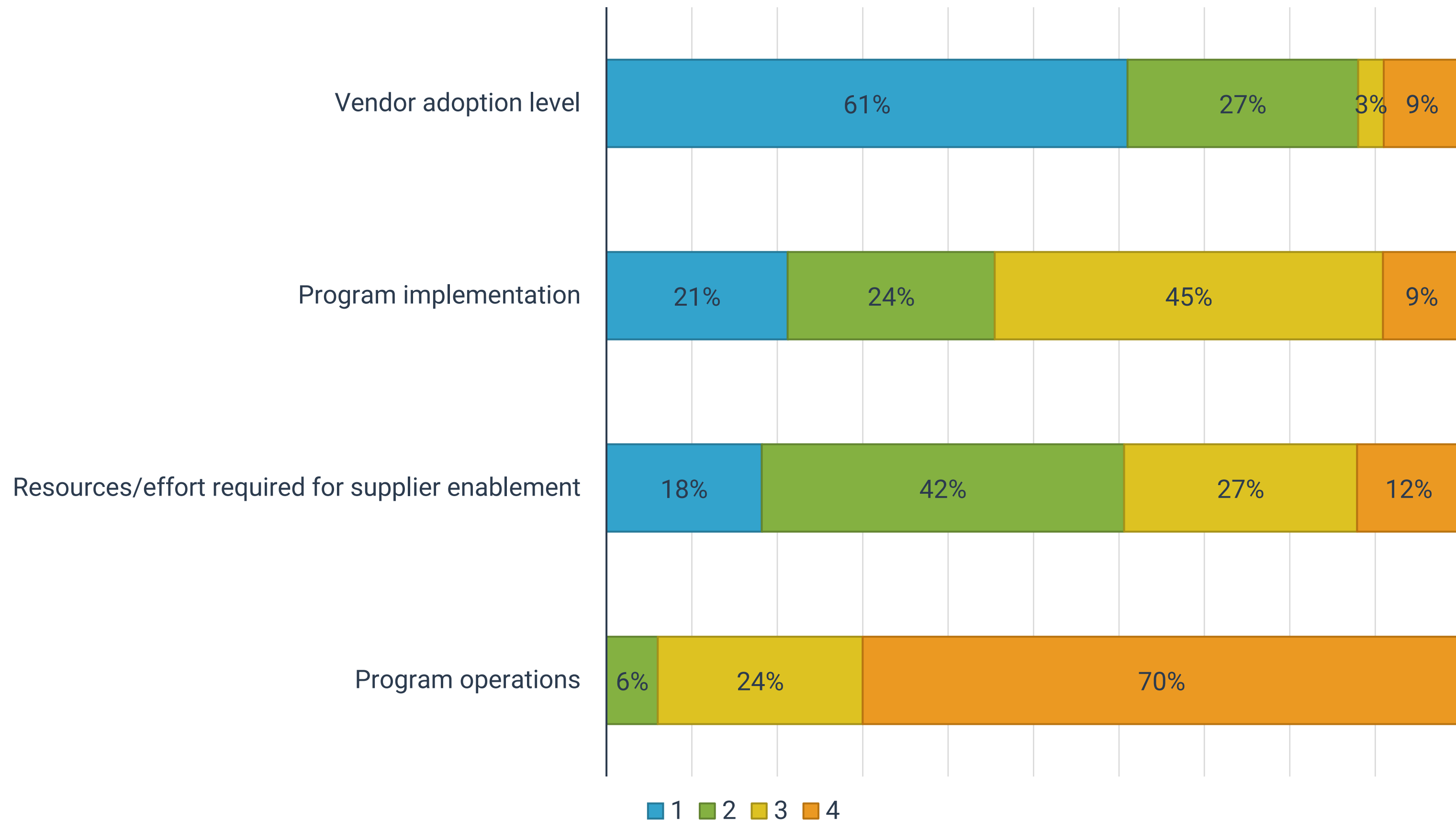
- 84% offer 11 or more days of payment acceleration.
- 37% offer 20 or more days of payment acceleration.



PERCEIVED CHALLENGES

ADOPTION A TOP CONCERN

» Rank the perceived challenges with virtual card programs today, with 1 being the most difficult and 4 being the least difficult.

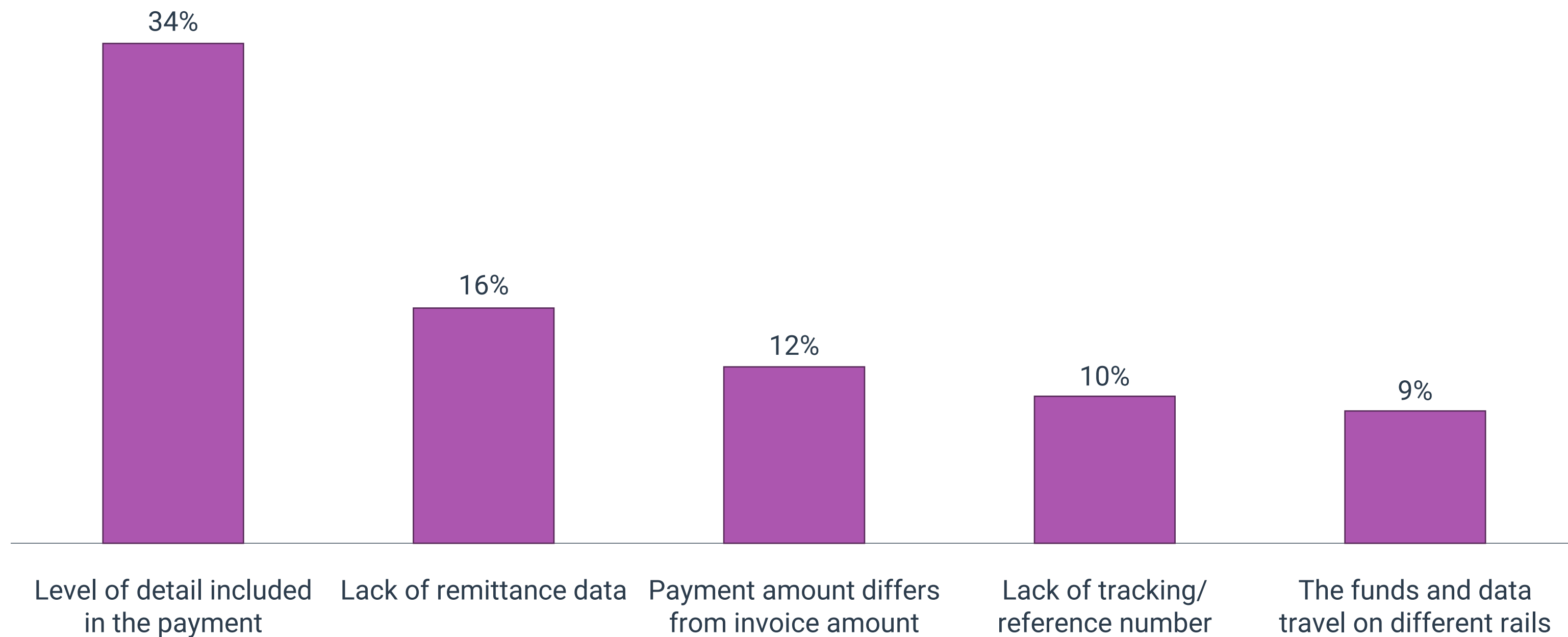




MANUAL INTERACTIONS

CAUSED MOSTLY BY LACK OF DETAIL

» What issue most causes suppliers to contact you after receiving payment?

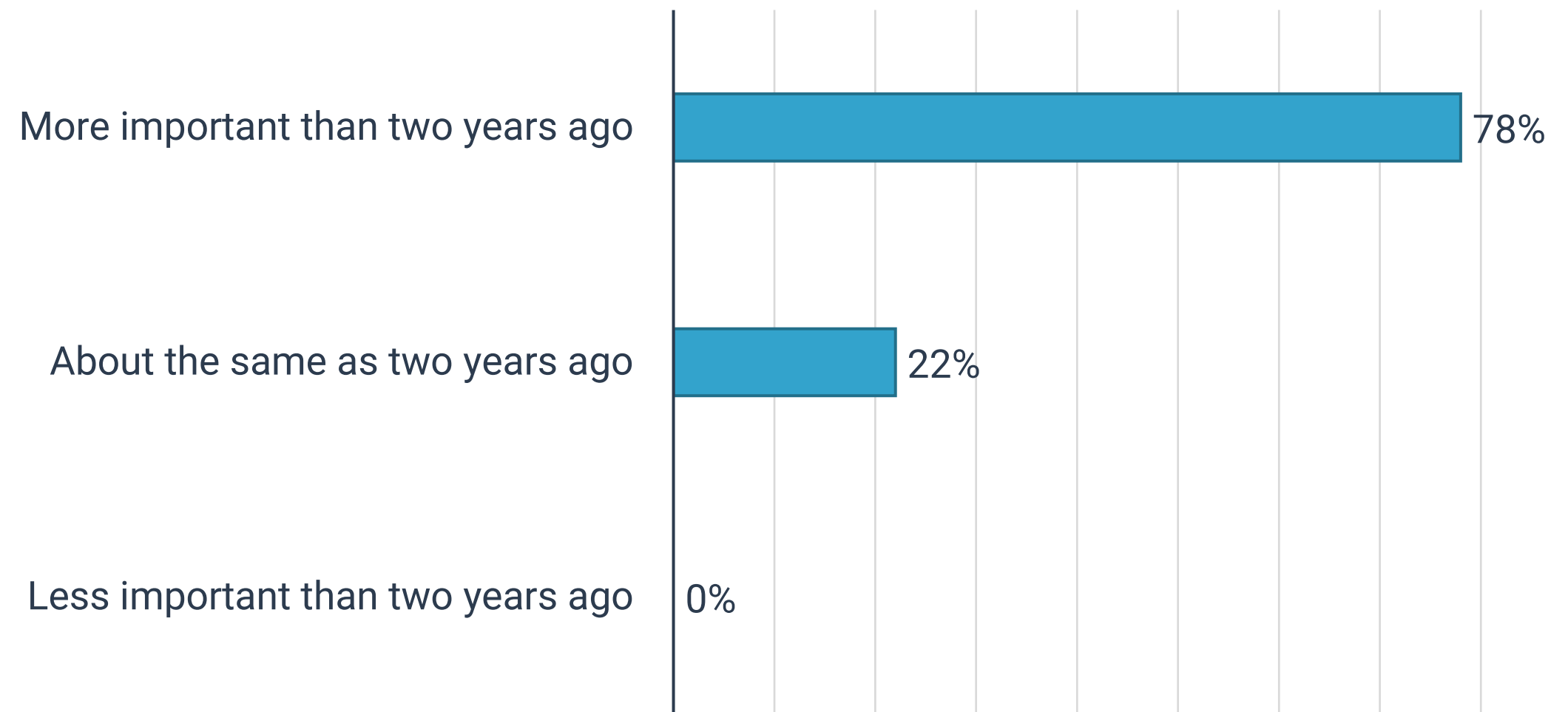


Significant work for both vendor and buyer

- Majority indicate that 6% of invoices or more require an interaction

POLL QUESTION

Poll 5 - Payment security to us is now:

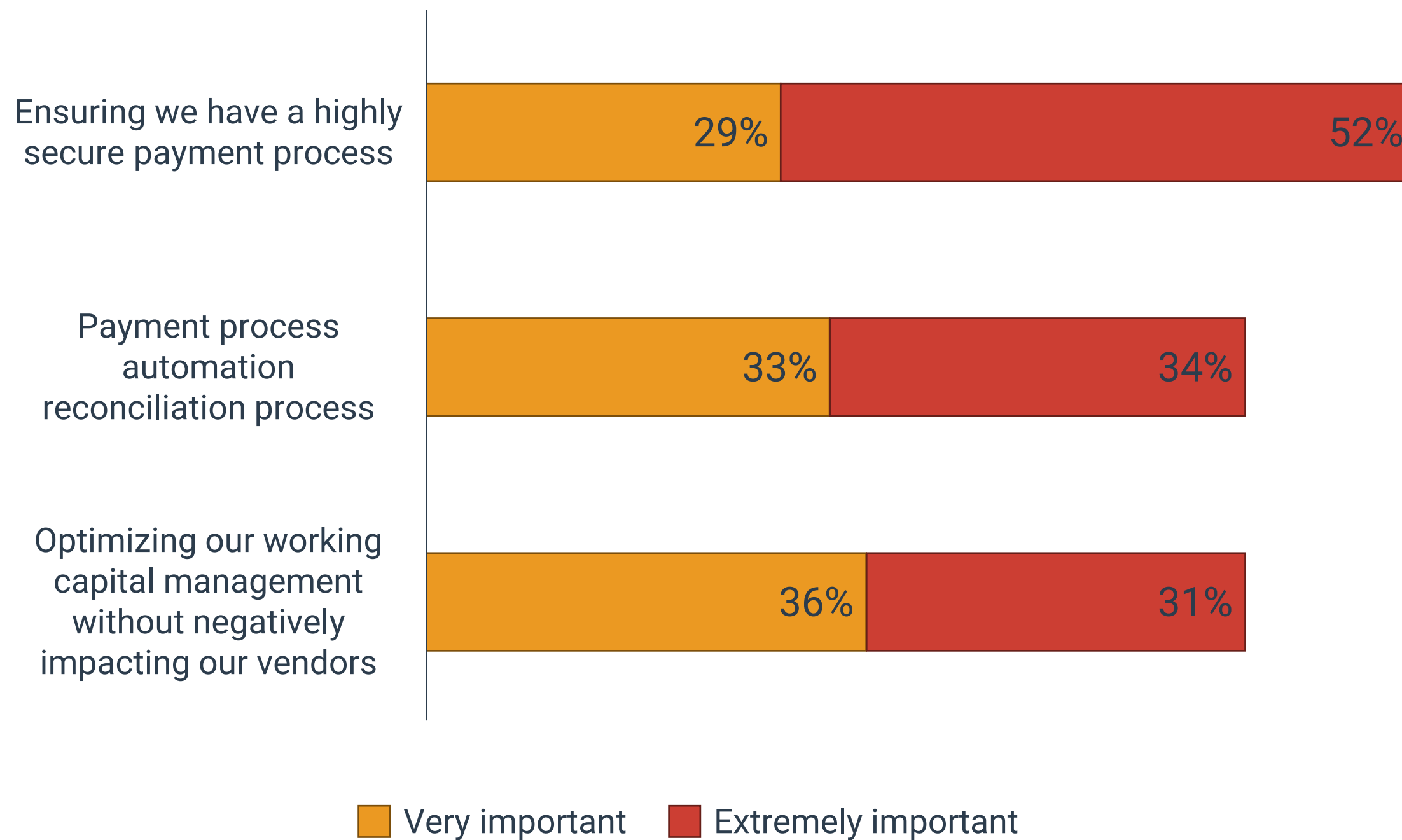




PAYMENT SECURITY

OF GREAT IMPORTANCE

» How important are the following considerations in your payment process/methods?



Indicated payment security importance has increased in the past two years

VIRTUAL CARD USAGE

NEARLY HALF ARE CONSIDERING IT



45% are considering using a virtual card



Only 9% have considered and rejected virtual card usage. But given more recent changes to virtual card options, will the 9% reconsider at some point?



EXPECTATIONS AND VALUE

CORPORATES, SUPPLIERS AND BANKS

» **Corporate:** Has your virtual card program met the expectations you had for it prior to launching the program?



» **Corporate:** Do you feel that your suppliers see the value in virtual card acceptance?



» **Bank:** Has your virtual card program met the expectations you had for it prior to launching the program?



12-point gap between corporates and banks



KEY TAKEAWAYS

IDEAS AND POINTS TO BRING BACK TO THE OFFICE



PAYMENTS: PROCESSES FOR 2 COMPANIES

- Understand the end-to-end view and value
- What matters to the receiving party?



DETAILS MATTER

- A lack of information can break the receiver's process
- A broken process has a feedback loop to the payer



SPEED AND COMMUNICATION

- Payment speed matters
- Payment speed matters for vcard activities



SEGMENTATION

- Multiple payment methods are a fact of business
- Targeting certain segments applies to all payment types and vcard

LET'S CONNECT.

DON'T LET THE LEARNING END HERE...
CONTACT US WITH ANY FUTURE QUESTIONS.

Thank you for your interest in this presentation and for allowing us to support you in your professional development. Strategic Treasurer and our partners believe in the value of continued education and are committed to providing quality resources that keep you well informed.



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MASTERCARD

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Download the 2022 Virtual Card Solutions Survey Report for in-depth commentary. Survey respondents will be sent the exclusive, detailed report.



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