

EVOLVING PAYMENTS: FROM MAKING PAYMENTS GLOBALLY TO VIRTUAL CARDS



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WHAT

Considering the results and implications of two payment-related surveys.



WHEN

Tuesday, January 31, 2023
11:00 AM – 12:00 PM EST



WHERE

Live online presentation
Replays at StrategicTreasurer.com



This presentation is provided by Strategic Treasurer, Corpay, and Mastercard.

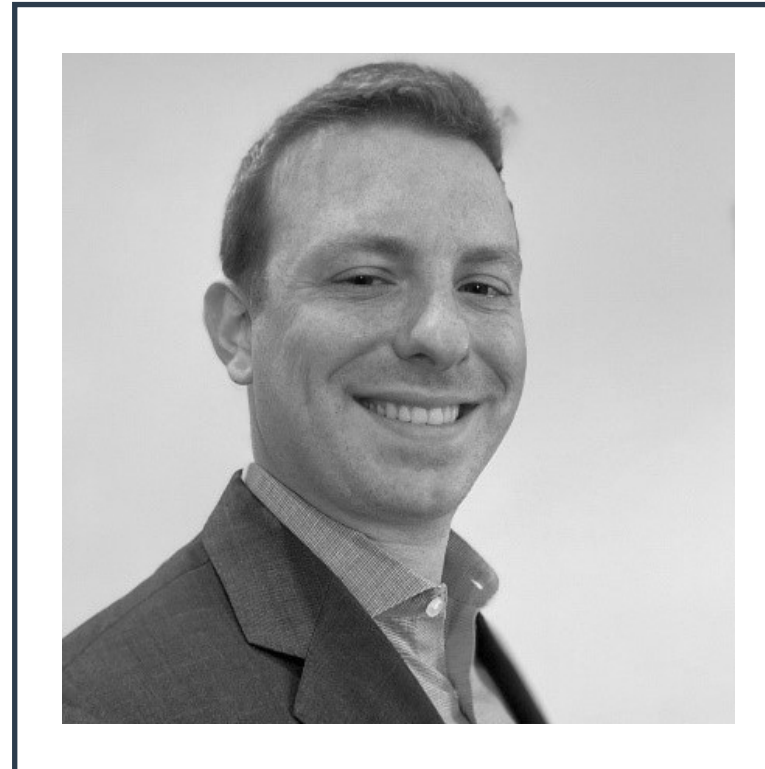
ABOUT THE SPEAKERS

GET TO KNOW TODAY'S SUBJECT MATTER EXPERTS



MARK PENSERINI

Mark has over 25 years of operations and technical experience specializing in project management across Healthcare, Finance and IT operations. Before Corpay, Mark was Vice President of Partner Services at Inworks servicing, LLC for six years. Mark was also a director and program manager at Molina Healthcare, focusing on their health insurance exchange. He also served as Deputy Program Manager for the Oregon Health Insurance Exchange for over three years with a \$200 million budget.



ANTHONY DEBELLIS

Anthony DeBellis is a Director of US B2B Solutions at Mastercard. In this role, he is responsible for Mastercard's next generation virtual card products and partnerships in the US.

Anthony graduated from Marist College with a Bachelor of Science (BS) degree in Business Management and received his Executive Masters of Business Administration (EMBA) degree from the Quantic School of Business and Technology.



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 SURVEYS

KEY POINTS OF INTEREST



INVESTMENTS

IN PAYMENT PROCESSING



PAYMENT SECURITY

IMPORTANT FROM MULTIPLE
PERSPECTIVES



VALUE

A DRIVER IN PAYMENT
DECISIONS



PAYMENT CHALLENGES

ADOPTION AND REGULATION



KEY TAKEAWAYS

AND FINAL THOUGHTS

OVERVIEW

SCOPE OF SURVEYS



- Changing objectives
- Major challenges
- Performance against expectations
- Value & value drivers of virtual cards
- Plans & adjustments



- Payments intensity
- Connectivity
- Cross-border & FX operations
- Compliance & security
- Faster payments
- Technology spend



INVESTMENTS FLOWING TO STREAMLINE PAYMENT PROCESSING

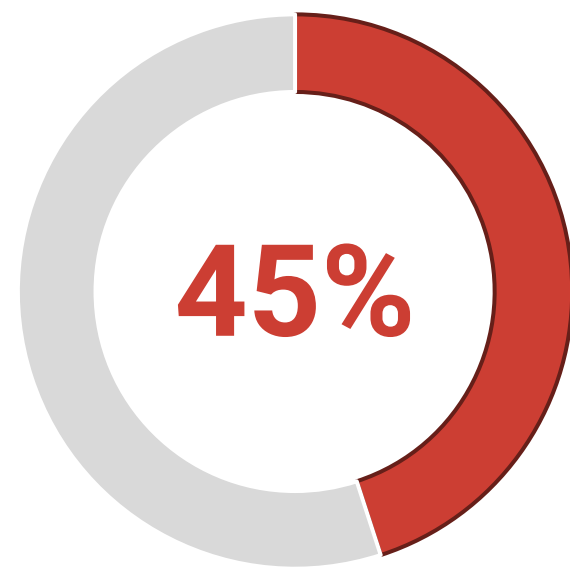
PAYMENT DELAYS

A SIGNIFICANT ISSUE

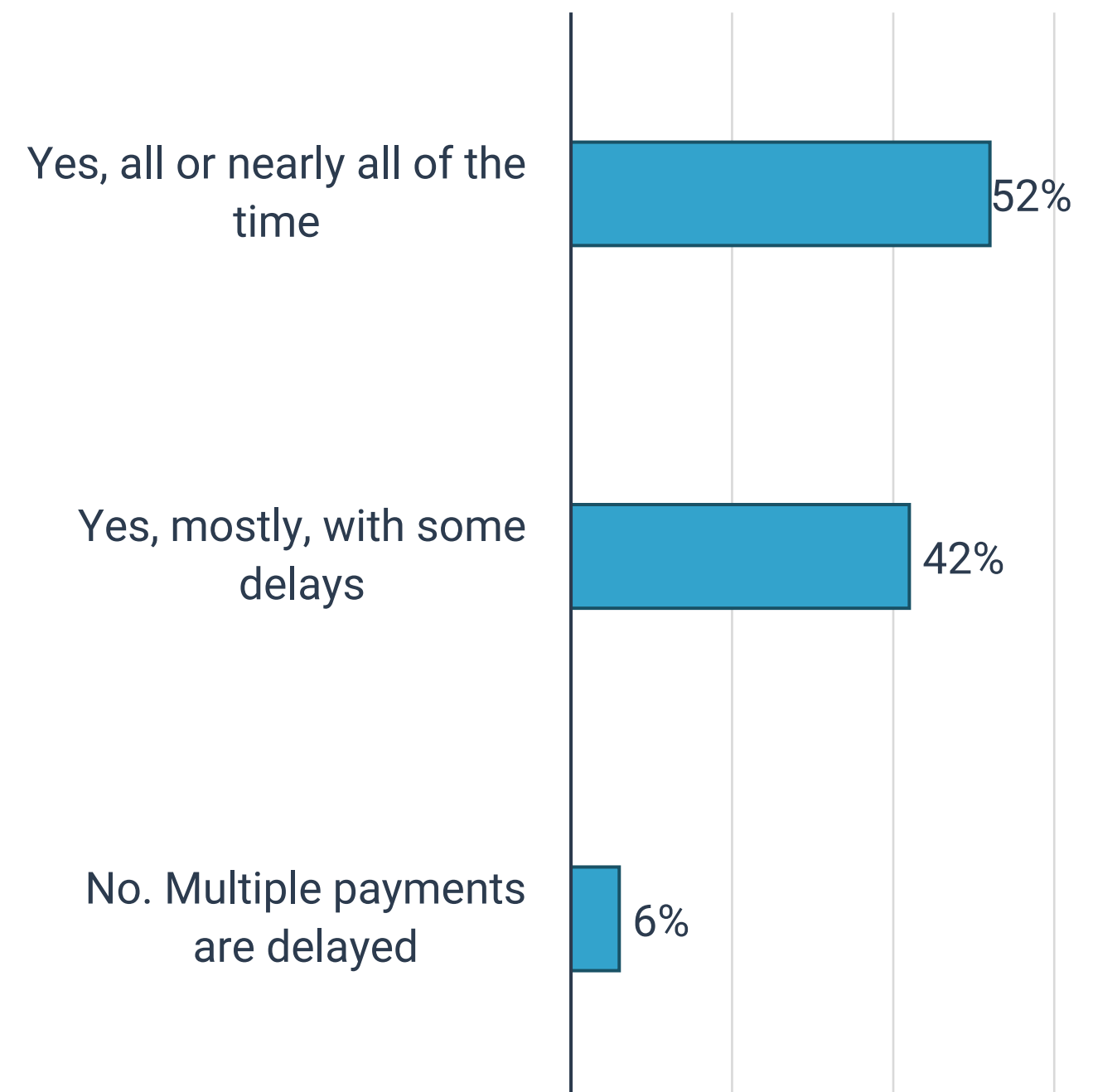
» We make our payments within our standard terms.



Serious pain with late payments



Four out of every nine of the respondent companies indicate that their late payments are a source of friction with AP suppliers (moderate to heavy pain).



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

SLOW INVOICE APPROVAL PROCESSES

IMPLICATIONS OF INVOICE APPROVAL TIMING ON PAYMENT OPTIONS/FUNDING

» The following describes our ability to make payments.



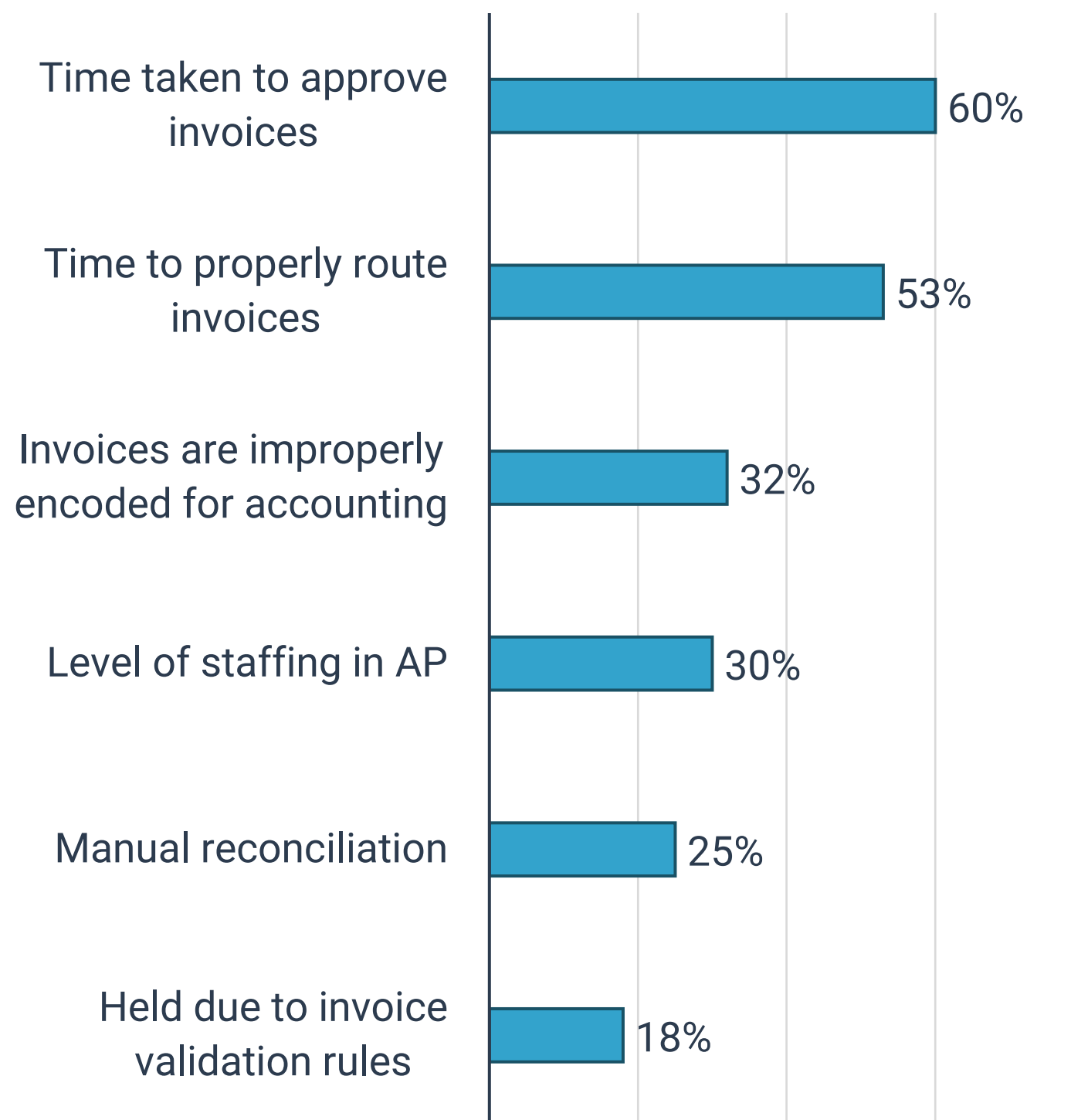
The 85% who complete the approval process prior to a payment being due can take advantage of early payment options/funding when desired and available.

CAUSES OF SLOW INVOICE APPROVAL

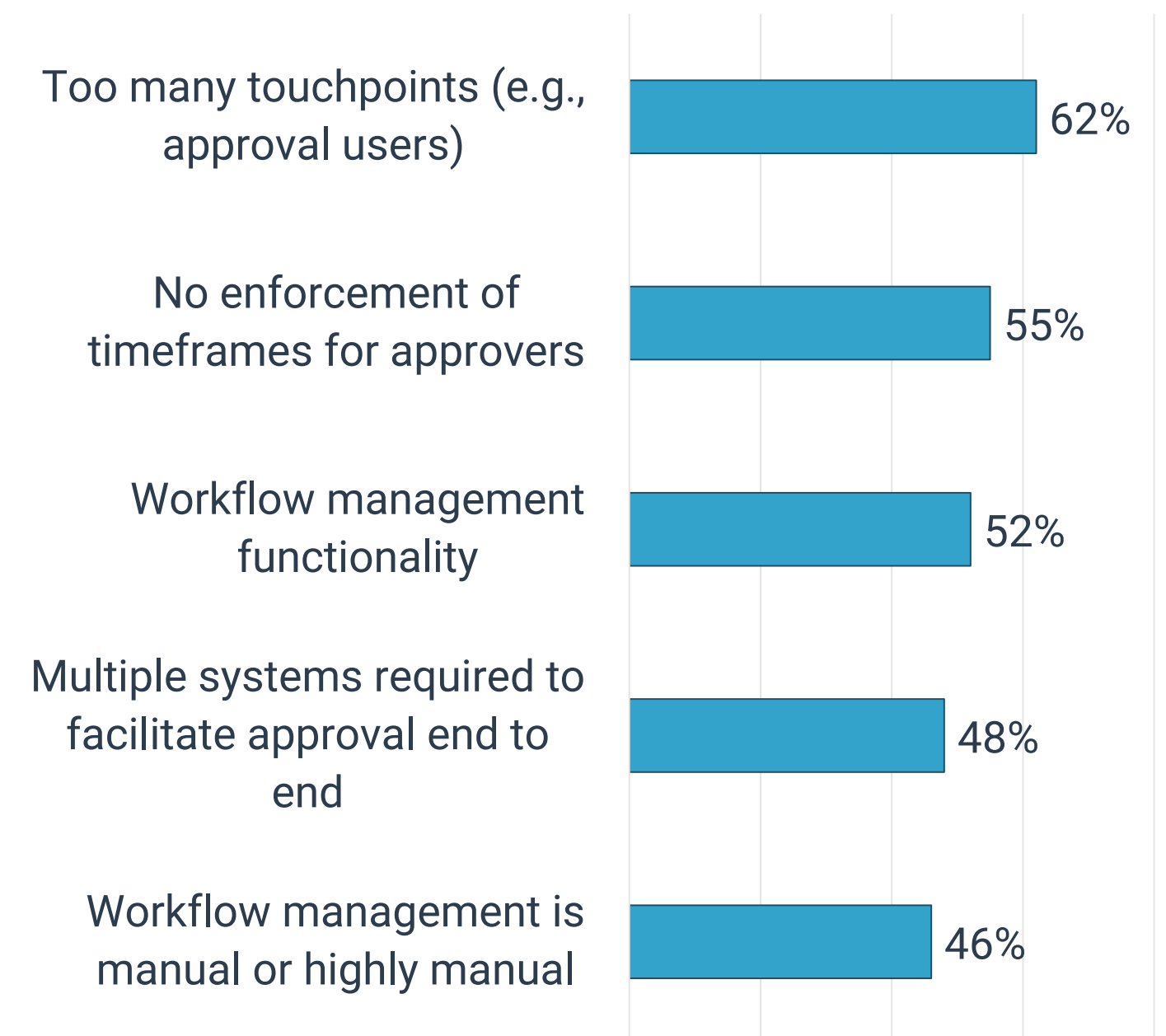
KEY DELAY FACTORS

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

» Please rank these items based on your perception of their impact on impeding or slowing invoice approval.



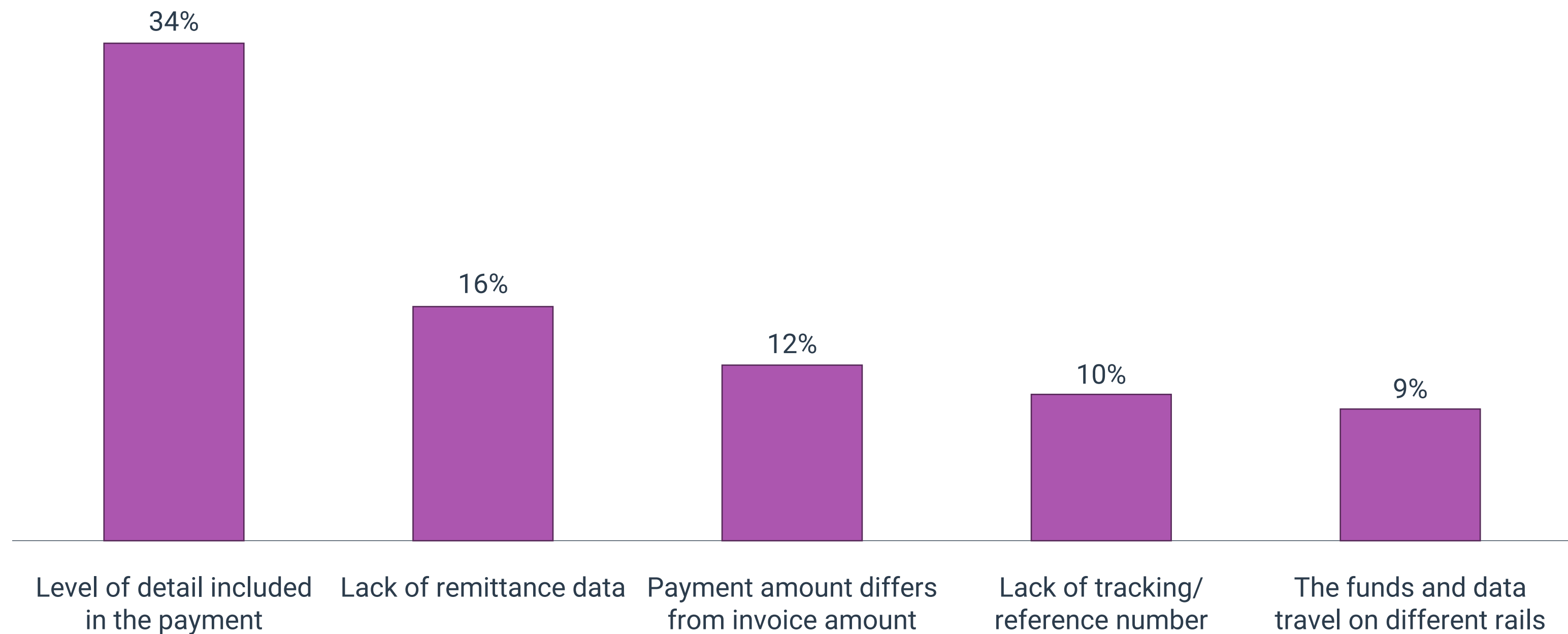
Moderately, very, or extremely impactful



MANUAL INTERACTIONS

CAUSED MOSTLY BY LACK OF DETAIL

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

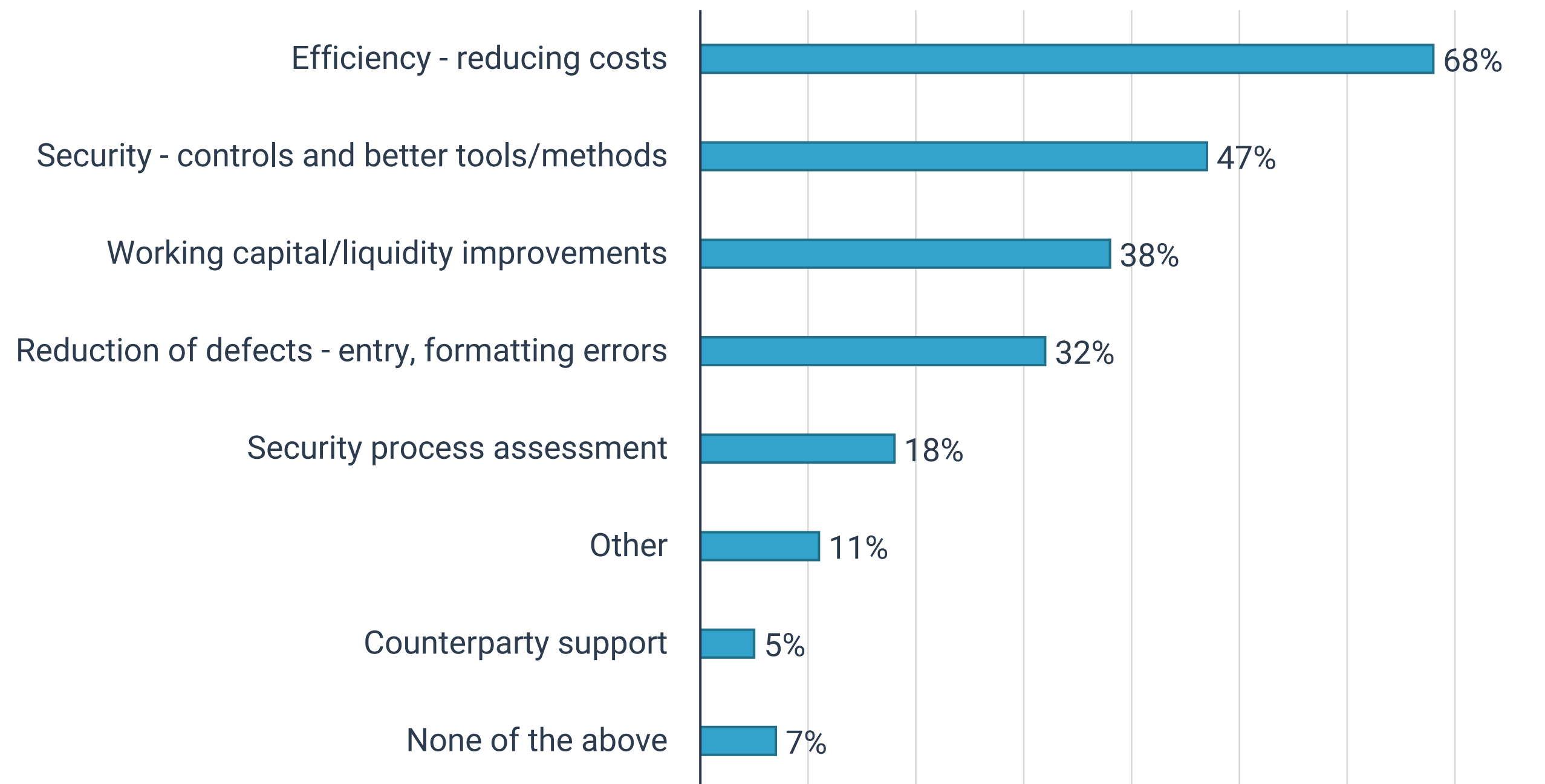


Significant work for both vendor and buyer

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

POLL QUESTION

Poll 1 - In which area(s) are you investing heavily to improve payments in 2023?

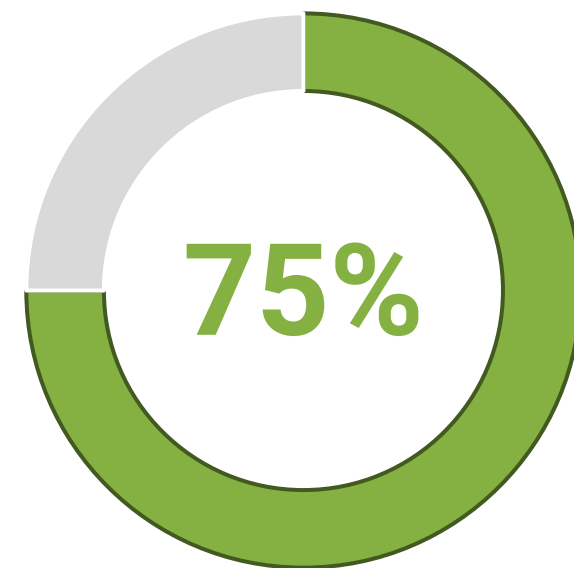


SPENDING & FOCUS

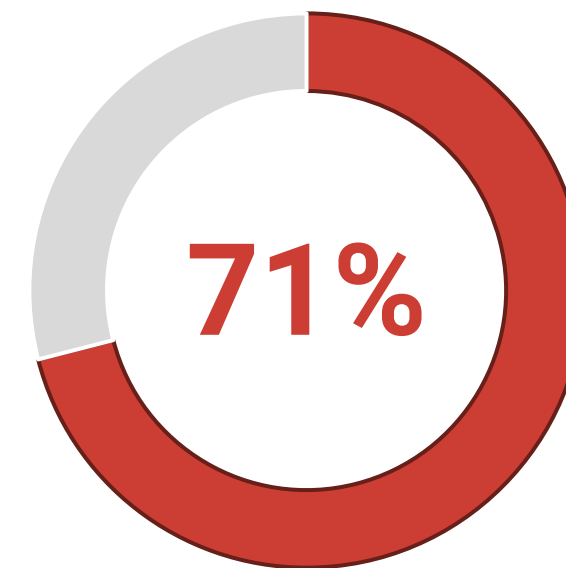
ON REDUCING PROCESSING COSTS AND ERRORS

» Please indicate the importance of the following options according to how they would impact your bank connectivity spend and focus:

Very Important / Important



Reducing processing costs
(internal or external)

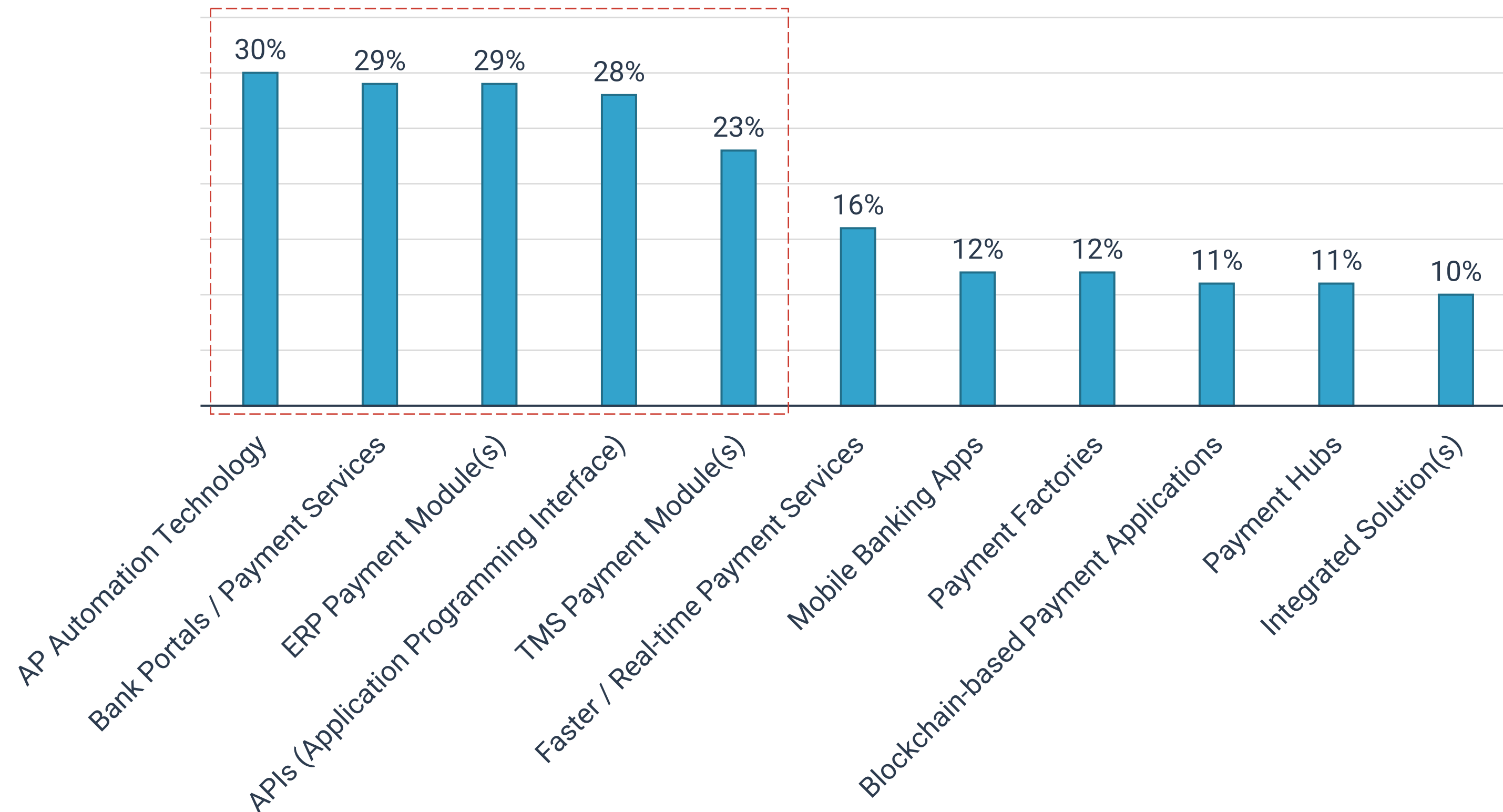


Reducing number of entry
or formatting errors

INVESTMENT PLANS

AIMING TO STREAMLINE PAYMENT PROCESSING

» What types of payment technologies do you intend to invest significantly in over the next 12 months? (Select all that apply)



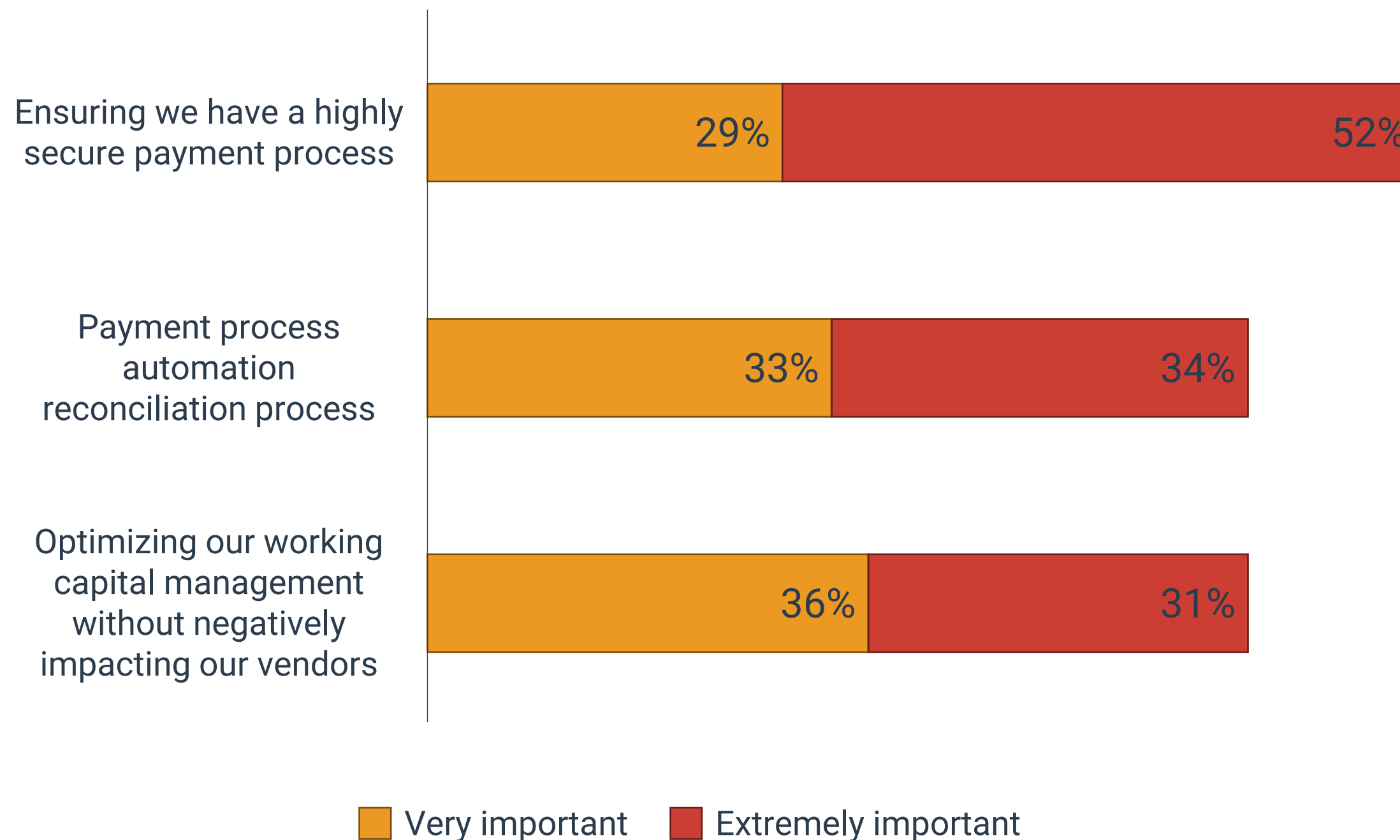


IMPORTANCE OF PAYMENT SECURITY

PAYMENT SECURITY

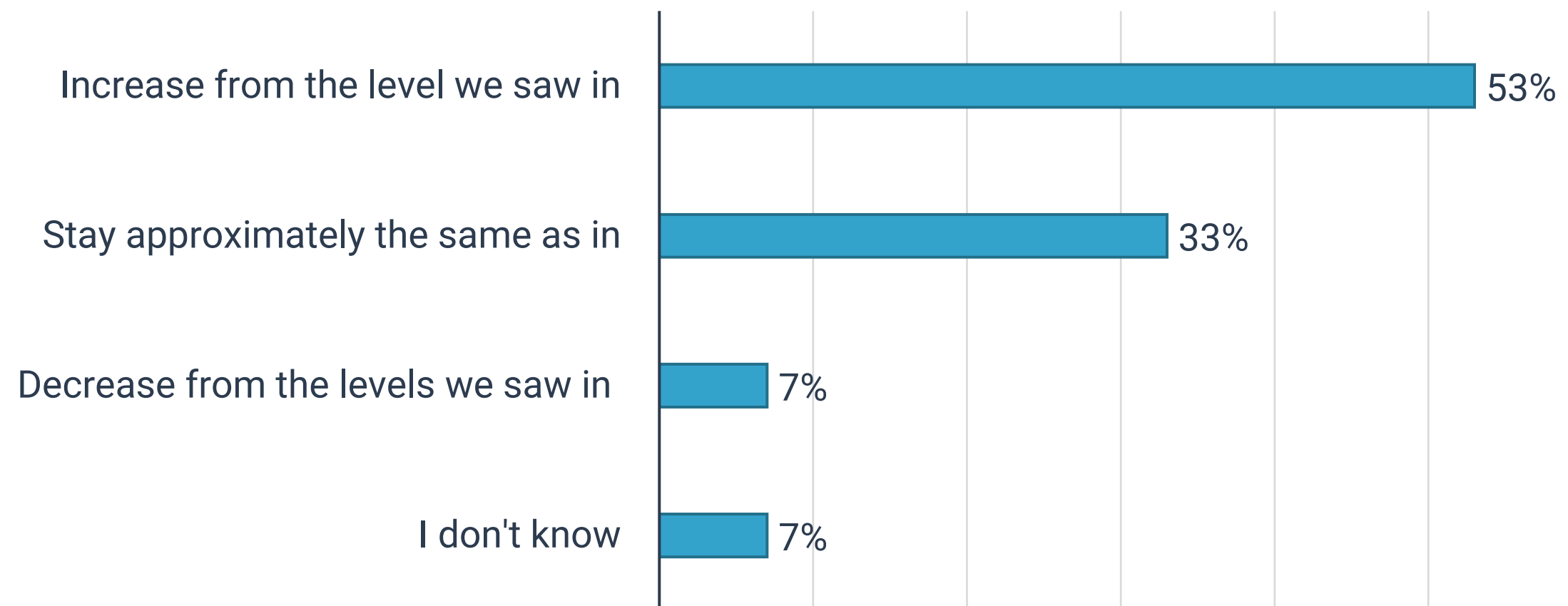
HIGHLY IMPORTANT

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



POLL QUESTION

Poll 2 - My concerns about payment fraud in 2023: It will _____ 2022

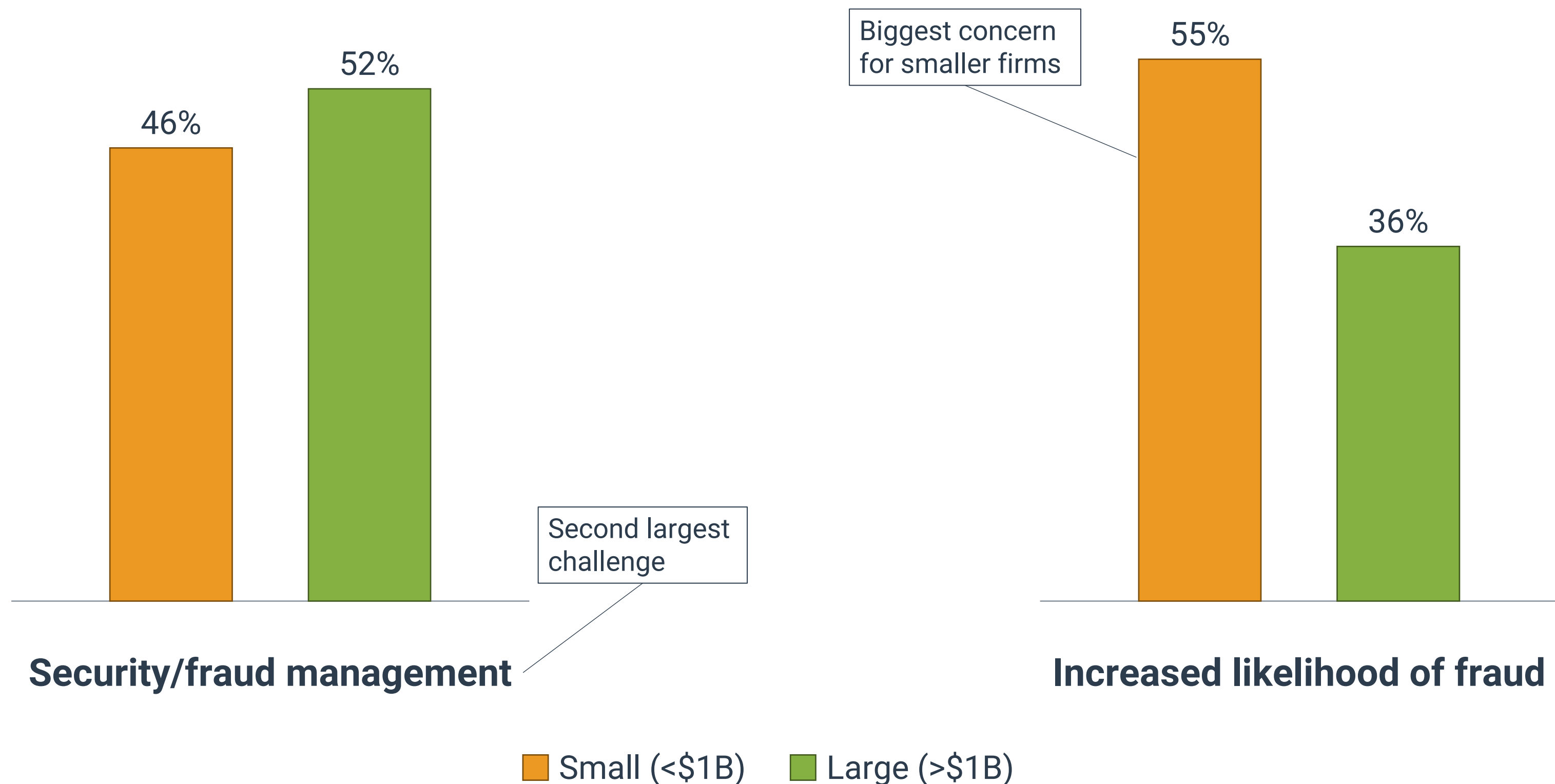


PAYMENT CHALLENGES & CONCERNS

PAYMENT MANAGEMENT AND INNOVATION

» What primary challenges do you currently face when managing payments?

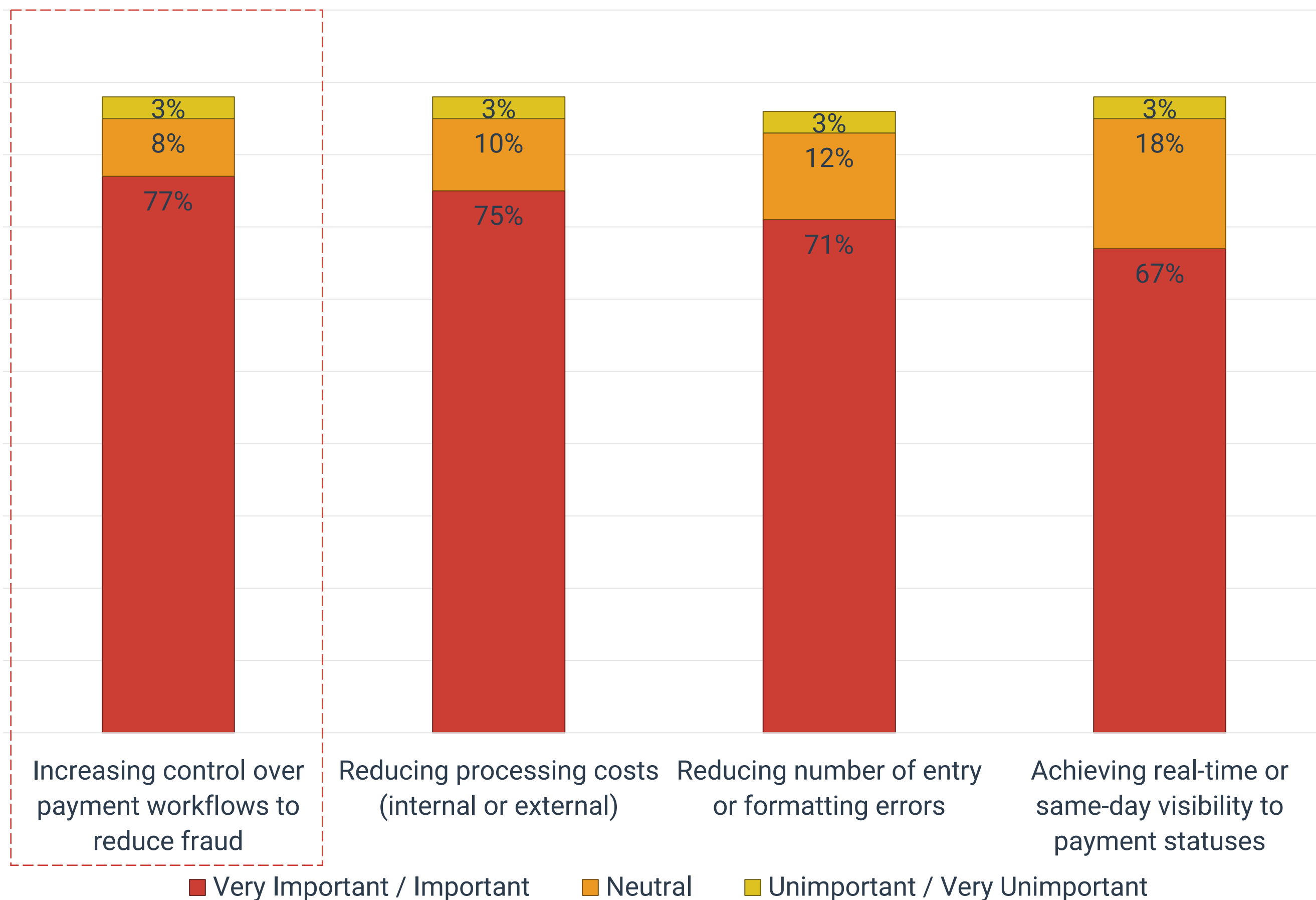
» What are your TOP TWO concerns regarding payments innovation? (Select two)



ROBUST SPENDING EXPECTED

MOST GOING TOWARD COMBATING FRAUD

» Please indicate the importance of the following options according to how they would impact your bank connectivity spend and focus:





VALUE AS A DRIVER IN PAYMENT DECISIONS

PROMOTING VIRTUAL CARDS

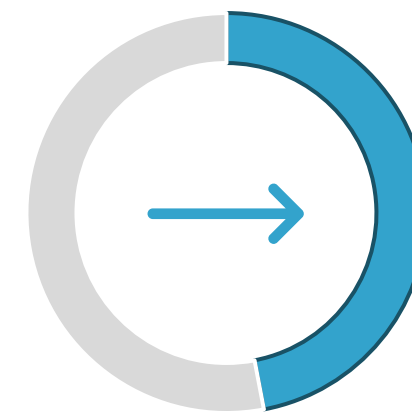
EMPHASIS ON SPEED

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



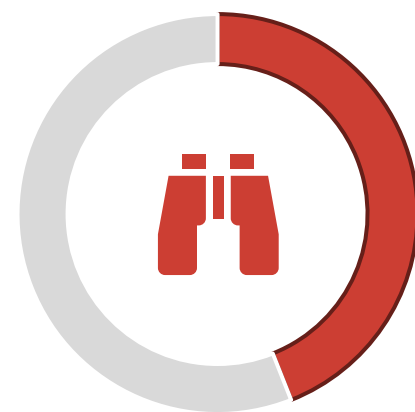
72%

Getting paid faster



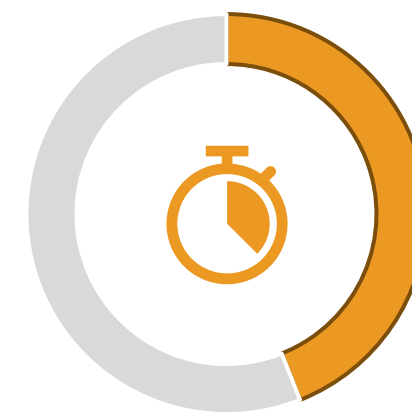
47%

Efficiency. Better
integration into their
systems



44%

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

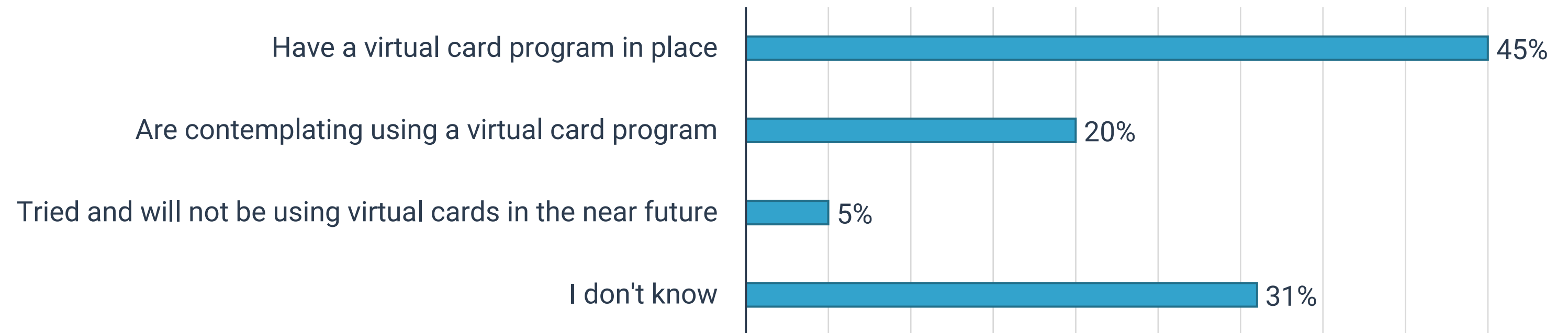


44%

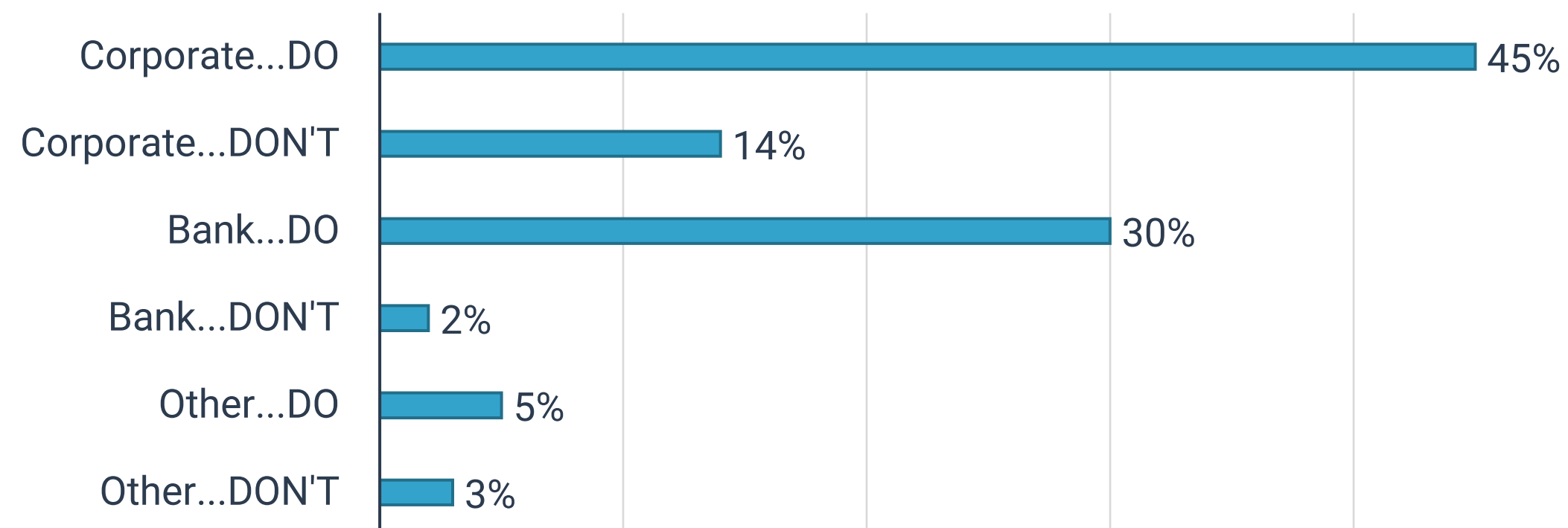
Carrot and stick
approach. Take the
card and get paid in 15
days, ACH in 75

POLL QUESTION

Poll 3 - We _____ (all that apply)

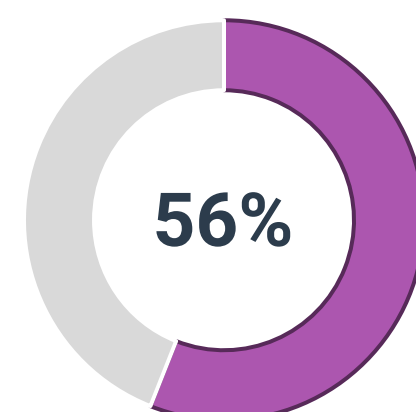


Poll 4 - We are a _____ and _____ see value of virtual cards.

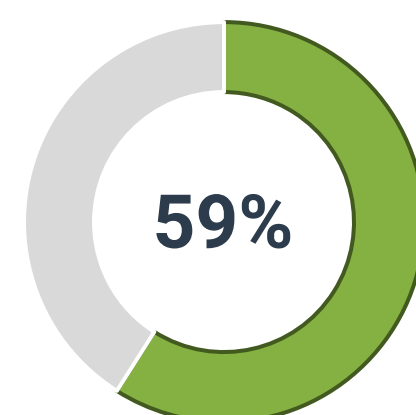


CORPORATE-SUPPLIER IMPLICATIONS

OFFERING ACCELERATED PAYMENT TERMS & VIEWS OF VALUE



Over half of corporates offer accelerated payment terms for virtual card use

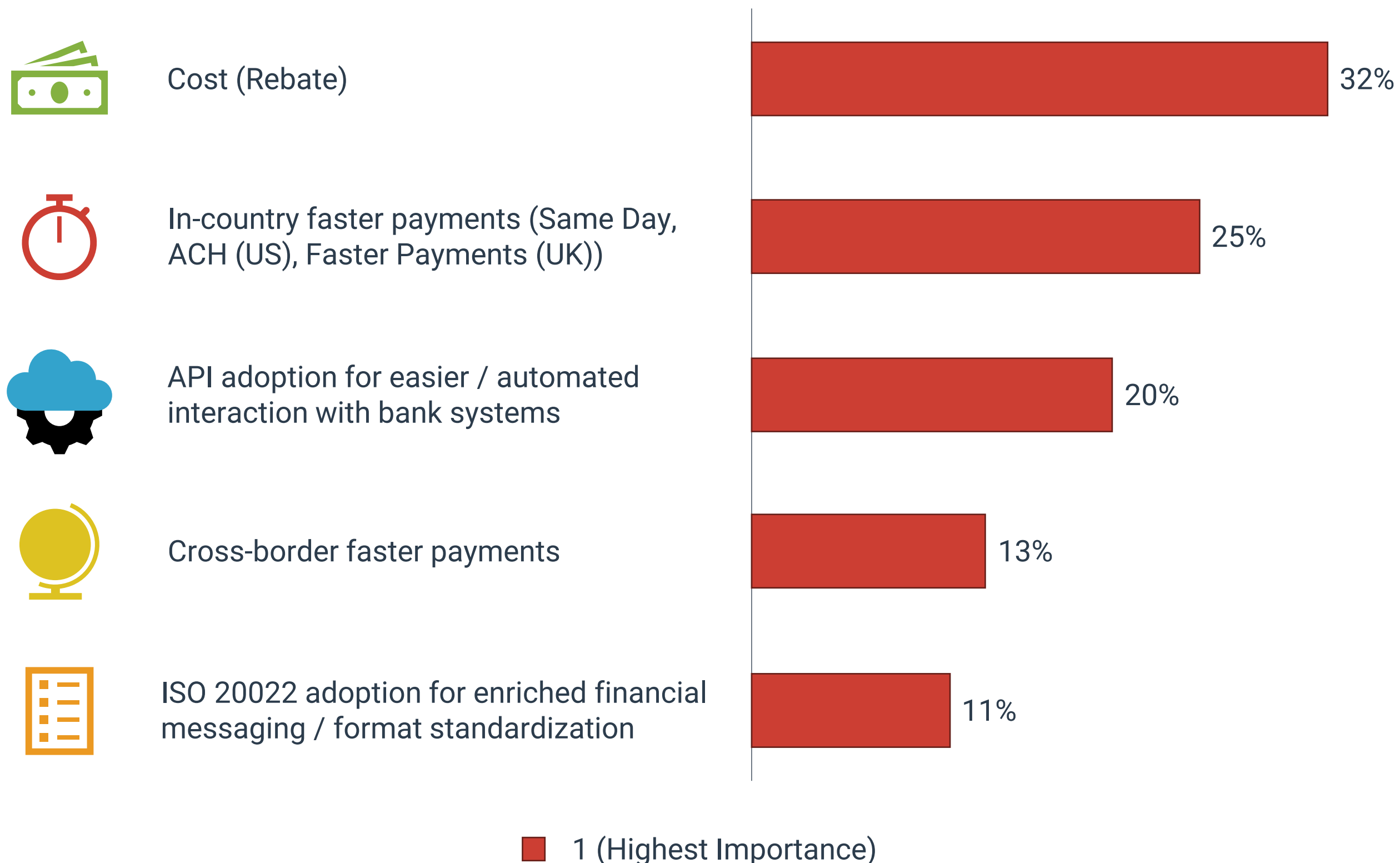


Three-fifths of corporates think suppliers see the value of virtual cards

IMPORTANT TO PAYMENT OPERATIONS

COST TOPS THE LIST

» Rank the following options from 1 (Highest) to 5 (Lowest) according to how important they are for your organization's payment operations:



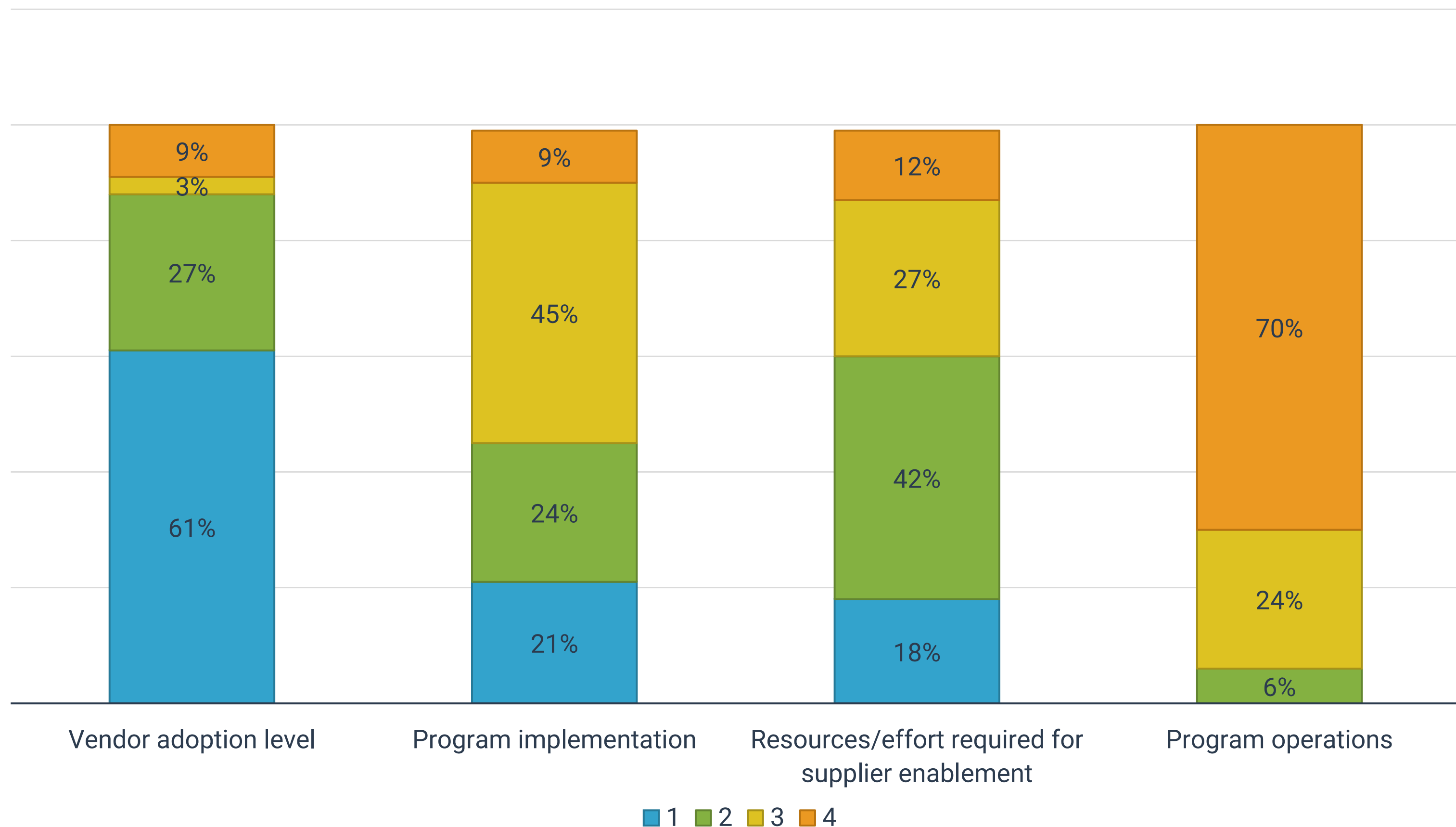


PAYMENT-RELATED CHALLENGES

PERCEIVED CHALLENGES

ADOPTION IS THE LEAD CONCERN

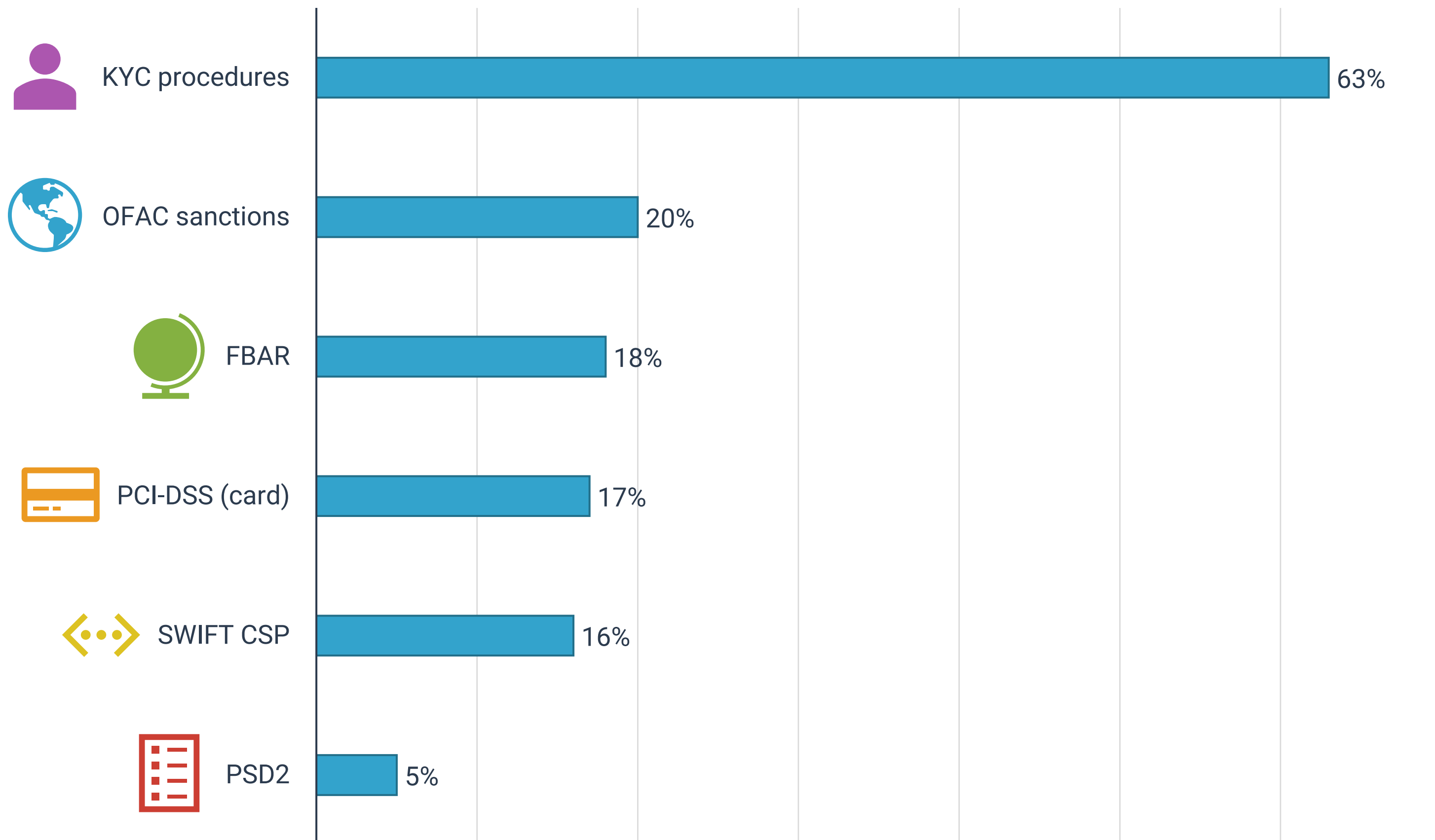
» Rank the perceived challenges with virtual card programs today, with 1 being the most difficult and 4 being the least difficult.



REGULATION PAINS

KYC IS BIGGEST PAIN BY A LARGE MARGIN

» Which payments-related regulations or KYC procedures require significant resources or represent a significant challenge for your organization?



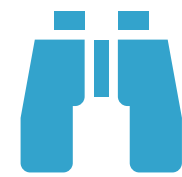
FINAL THOUGHTS

HOW TO PROCEED



RECOGNIZE

- Pain of payments
- Opportunity of payments (internally)
- Opportunity of payments (externally)



SEEING VALUE

- Efficiency
- Control
- Visibility
- Speed
- Liquidity
- Relationship



PROTECTION

- Fraud is rampant
- Payment methods matter for fraud protection
- Train your staff
- Assess your payment processes...now

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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Report**



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Download the Global Payments and Virtual Card Solutions Survey Reports for in-depth commentary.