



Overview of the Practical Guide to Commercial One Cards

Could your company benefit from a commercial one card program? Visa's *Practical Guide to Commercial One Cards* spells out the potential advantages, considerations and best practices for success.

Companies frequently use multiple card programs to pay for different expense categories - for example, procurement, travel and entertainment (T&E), and fleet expenses. Some organizations, however, are considering the one card concept - a flexible, integrated commercial card solution that can potentially reduce administrative costs, streamline accounting, improve spending control and increase efficiencies.

So is a commercial one card program right for your company? Or, if you've already adopted a commercial one card program, are you achieving all the benefits you expected? To help you find out, Visa commissioned Deloitte Consulting to interview organizations that use commercial one cards and

develop recommended practices to maximize the benefits of a commercial one card program. The findings are described in Visa's *Practical Guide to Commercial One Cards*. The Practical Guide outlines:

- Market trends for commercial one card programs
- Specific examples of successful program management strategies
- Potential benefits to be gained from a commercial one card program
- Factors in deciding whether or not to consolidate multiple card programs
- Comprehensive best practices to ensure that benefits are realized

The Growing One Card Market

Visa's study found that commercial one card programs have tended to be most effective in mid-size companies as well as public entities that have a manageable number of cardholders and a need to limit administrative costs. Mid-size companies account for most of the growth in commercial one card programs. The number of mid-size companies migrating to commercial one card programs is expected to grow from 41 percent in 2005 to 51 percent in 2008.¹

Larger organizations have traditionally required multiple card programs in order to sort and analyze spending data by category and to maintain controls over card usage. With improved reporting technologies and increased flexibility, certain large companies may benefit from the one card solution. Large companies with commercial one card programs are expected to grow from 24 percent in 2005 to 44 percent in 2008.¹

These trends suggest that some organizations prefer simplified commercial card solutions that reduce their administrative burden without compromising their analytical flexibility or control. In more and more cases, commercial one card programs can meet those objectives.

Key Benefits: Increased Efficiency, Enhanced Reporting, User Satisfaction

The interview pool for the Practical Guide included card program administrators, procurement managers and accounts payable managers in companies ranging from \$26 million to over \$12 billion in revenue, as well as municipal and educational institutions. Satisfaction levels were consistently high across this wide range. The most often cited benefits of a commercial one card program include:

- Efficiency of card management and administration – Commercial one card programs eliminate redundant functions and allow for centralized management
- Streamlined data feeds – Card spending data can be consolidated into a single file for uploading into the financial accounting system
- Enhanced reporting abilities and supplier management – Commercial one card users have easier access to spending data that can be used to negotiate better terms with suppliers

- Cardholder convenience and user satisfaction – Commercial one card programs eliminate employee confusion over which card to use for different expense categories
- Stronger relationship with a financial institution – Consolidation with a single financial institution streamlines the review process and can produce volume-based savings opportunities
- Greater reporting visibility on corporate expenses
- General cost and labor savings associated with card versus check payments

Comparing and Contrasting One Card and Multiple Card Programs

The Practical Guide provides detailed comparisons between one card and multiple card programs to help you decide which is better for your company's needs. Some issues to evaluate in the analysis and decision process include:

- Statement billing, liability and payment – Who is responsible for payments, the organization or individual users? A commercial one card program works best when liability and payment are centralized.
- Complexity of spending controls – The more cardholders and expense categories you have, the more complex your control and compliance system becomes, requiring more active management.
- Transaction accounting – Companies with multiple card programs often have different transaction accounting processes for each. A commercial one card program has a single accounting process for all transactions. Which is better for your business?
- Sales and use tax reporting – Because commercial one card programs cover a wider variety of expense categories, you'll need a system for estimating and reporting sales and use tax.

In general, if your company has a high overlap among T&E, procurement and fleet cardholders, you stand to realize significant savings by reducing the number of cardholder accounts and cards in circulation. You will, however, face implementation and transition costs, such as training, cardholder communication and technology integration. The Practical Guide will help in the process by outlining criteria for evaluating the cost and benefit tradeoffs.

¹ RPMG Research Corp., 2005 Purchasing Card Benchmark Study

Making it Work: Comprehensive Best Practices


Based on the responses of successful and satisfied commercial one card program users, the core of Visa's Practical Guide is a list of best practices broken out into three sections:

Program Foundation	Program Management	Program Reporting
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By following the best practices outlined in the Practical Guide, your company will be better able to reap all the potential benefits that a commercial one card program offers. The Practical Guide provides detailed explanations of each practice, as well as guidance on how to implement the best practices based on concrete examples from the organizations studied.

The Tools to Help You Make the Call

Each organization must decide for itself whether the potential benefits warrant a transition from multiple cards to a one card program. *Visa's Practical Guide to Commercial One Cards* will show you the measure of organizational commitment required to make the transition - with strategic advice from organizations that have done so successfully.



To get your own copy of *Visa's Practical Guide to Commercial One Cards*, or to learn more about commercial one card programs, contact your Visa Commercial Solutions issuer.



By encouraging use of the commercial one card, a manufacturing company was able to reduce the number of invoices processed by its accounts payable department by 150 to 200 invoices monthly.

By mandating use of cards for all travel-related purchases, a marine cargo company was able to reduce T&E expense abuse and conform to stricter audit requirements.

Several organizations reported significant savings in their e-Procurement processes, reducing average order processing time from 45 minutes to only 5 minutes per order using one card payments.

A bicycle manufacturing company used supplier spending data to encourage card acceptance by non-accepting suppliers and to negotiate volume discounts.

More than 90 percent of study participants reported conducting regular audits in addition to random audits in order to monitor cardholder compliance with policies and procedures.



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