



VISA COMMERCIAL SOLUTIONS

Enhance Purchasing Card Program with 2005 Purchasing Card Benchmark Survey

2005 Purchasing Card Benchmark Survey Results:

- One of the largest studies ever conducted on purchasing card programs.
- Data from more than 1,200 Visa® client organizations.
- Fourth study in a series.
- Provides an understanding of purchasing card marketing.
- Identifies factors that affect purchasing card program success.
- Includes segment size, trends, purchasing card spending patterns, and performance metrics.
- Highlights high-performance programs and data on barriers to program growth.

Visa continuously makes available to issuers and their clients the timeliest information on how to achieve greater cost savings and efficiencies from purchasing card programs. This commitment has included a series of purchasing card studies, and results from the latest in this series have now been published.

2005 Purchasing Card Benchmark Survey.

This survey provides comprehensive results and best practices from one of the largest studies of purchasing card programs ever conducted. More than 1,200 client organizations were surveyed, including members of the National Association of Purchasing Card Professionals (NAPCP) and the client base from fifteen card issuers. Visa issuers and their clients, among others, worked with RPMG Research Corporation to research and analyze the processes and procedures of organizations with a track record of strong purchasing card program performance. The data is designed to identify purchasing card trends, as well as factors that contribute to, or detract from, purchasing card program success.

Measuring Your Purchasing Card Program.

The *2005 Purchasing Card Benchmark Survey Results* provides valuable insights not only into who uses purchasing cards and how, but also how organizations derive value through their purchasing card programs. The study helps reveal the common characteristics of high-performance programs, from distribution to applications to administration. Plus, the survey offers a robust tool for evaluating your organization's procure-to-pay process, streamlining operations, and driving greater success for your purchasing card program.

Increase Purchasing Card Performance Success with Best Practices.

For organizations and cardholders, purchasing cards have moved into the mainstream: 85 percent of respondents reported increased purchasing card spend over the last two years. The 2005 survey also reveals a broad movement toward "controlled growth" in purchasing card spending programs. Annual purchasing card spend grew from an estimated \$80 billion to \$110 billion between 2003 and 2005, and is expected to increase by about 11 percent per year over the next five years.

For more information on the 2005 Purchasing Card Benchmark Survey Results, contact your Visa financial institution today.

As in prior surveys, the reasons for growing purchasing card adoption are clear. For organizations in the survey, purchasing card use generated total overall transaction savings of more than \$28 billion per year. At the same time, purchasing cards contributed to the reduction and redeployment of resources to higher value-adding activities. Among surveyed organizations, purchasing card use resulted in an average 68 percent reduction in procurement cycle time.

Profile of High-Performance Organizations.

Through smart program management activities and innovative applications, high-performance organizations can maximize the potential savings and operational benefits of their purchasing card programs. The most successful programs follow purchasing card best practices and:

- Have a greater number of allowable spending opportunities, use more innovative arrangements to drive card spending, and analyze card spending data to maximize card use potential.
- Report significantly better purchasing card program performance when the number of cards is maintained or increased compared to organizations that reduce their number of purchasing cards.
- Have a significantly higher percentage of their employees with purchasing cards.
- Have fewer restrictions and extend purchasing card use beyond supervisors, managers, and purchasing personnel to line and manufacturing employees.
- Are more diligent about training to streamline and support purchasing card use.
- Report reductions in the manpower required to conduct purchasing and accounts payable processes when purchasing cards are used widely.
- Proactively develop guidelines and establish policies requiring purchasing card use.
- Report higher satisfaction with the ability of bank technology to support purchasing card program management, the integration of purchasing card data with organizational information systems, and the capture of transaction-related information in the purchasing card system.

All findings and statistics presented in this document are excerpted from the 2005 Purchasing Card Benchmark Survey Results.

Survey results and related data are intended for informational purposes only and should not be relied upon for financial or other advice. Actual costs, savings, and benefits may vary, based upon your specific business needs and card program requirements. Visa is not responsible for your use of the survey results, data, and information, including errors of any kind, or any assumptions or conclusions that you might draw from their use.