



Visa Commercial Client Case Study

News Media Industry

Procure-to-Pay and Commercial Card Program Optimization

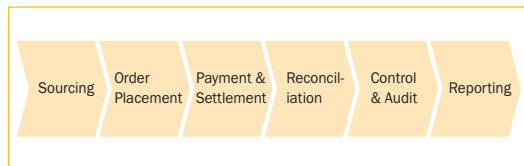
Helping companies improve performance and maximize benefits from their Visa Commercial card program

Visa and its Issuing Banks (Issuers) have launched a new program designed to identify opportunities for clients to improve Procure-to-Pay operations and increase savings through their card programs. The Optimization Review, which requires minimal time and effort, helps clients benchmark their Procure-to-Pay process against best practices¹, identify opportunities to realize both hard- and soft-dollar savings from process efficiencies, and explore Visa® Commercial card program expansion tactics.

A Visa Optimization Review Success Story

A U.S. News Media company – and Visa Commercial card client – was exploring card program expansion options to reduce processing costs and increase efficiency across its entire Procure-to-Pay process. Their Visa Issuer introduced them to Visa’s Procure-to-Pay and Commercial Card Program Optimization Review.

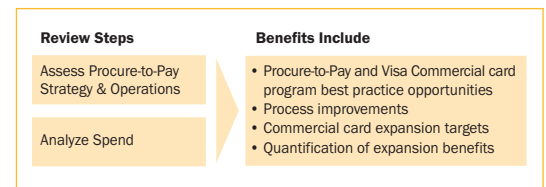
Procure-to-Pay Process Scope



The Optimization Review utilizes analytical tools designed to help companies identify, benchmark, and improve their Procure-to-Pay practices. These tools help define a plan and financial impact estimate for the expansion of Visa Commercial card programs.

The Issuer and Visa analyzed payment data and formulated recommendations

To help the U.S. News Media company identify cost reduction opportunities and increase benefits from the Visa Commercial card program, the Issuer performed an Optimization Review utilizing Visa’s Procure-to-Pay Performance Gauge and Accounts Payable Analysis Tool.



The Procure-to-Pay Performance Gauge

This tool is designed to assist a company in understanding how to improve its current Procure-to-Pay processes and technology. A customized diagnostic report is developed that rates the company’s practices against a baseline of best practice metrics and processes and identifies areas for improvement. In addition, specific best practices are identified and recommended to help improve work efficiencies and reduce operating costs.

The Accounts Payable Analysis Tool

This tool helps companies analyze their spend patterns and develop both strategic and tactical commercial card program implementation or expansion plans organized by commodity, business unit and supplier. Additionally, the built-in ROI calculator estimates the financial benefits they can realize through the card program. Companies can set program goals over a three-year time frame for the Visa Commercial card program expansion.

See reverse for a detailed account of how this News Media company, working with its Issuer and Visa, was able to identify over \$500,000 in additional cost savings and plans to grow its Visa Commercial card program from \$13.9MM to \$21.7MM.



¹Visa commissioned Deloitte to conduct a study of over 52 large corporate and mid-sized companies considered to have leading Procure-to-Pay practices. 60 best practices were developed that span the entire Procure-to-Pay process, including administration and use of a Visa Commercial card program.



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“The benchmarking exercise not only identified areas for improvement, but successes as well, which helped us build momentum for further improvement.”

– Procurement Manager

Course of Action

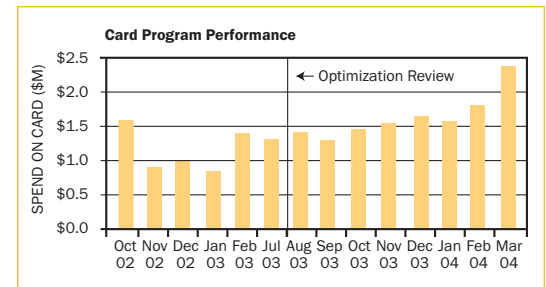
To identify card program expansion opportunities, the client’s Issuer and Visa collaborated to conduct the following Optimization Review:

- A Visa Commercial card expansion plan, organized by supplier, commodity type, and business unit, was adopted to capture spend and realize immediate, hard- and soft-dollar savings
- Additional employees and business units that could benefit from having a Visa Commercial card were identified and cards were distributed appropriately
- To enable end-to-end Procure-to-Pay process automation, the commercial card was integrated into the client’s e-Procurement system for electronic payment
- The card’s data stream was integrated into the client’s ERP system for streamlined reporting
- The Issuer’s commercial card reporting platform was implemented to enable online reclassification of spend to the appropriate business units and to provide card program specific reports
- A practice for forwarding invoices appropriate for card payment to the cardholders was adopted by Accounts Payable
- To further increase Visa Commercial card compliance, in-person policy and procedure training was held for cardholders
- Stakeholders and senior sponsors, such as the CFO, were educated on the use of the commercial card and the associated benefits and became active supporters

Real Results

In the months since the Optimization Review:

- The client’s annual Visa Commercial card volume has grown 55 percent
- The annual number of card transactions has grown 25 percent
- The average card transaction size has increased 25 percent
- The number of cardholders increased 18 percent
- The average annual spend per card has grown 32 percent
- The number of suppliers paid by the card increased 56 percent
- The client has successfully penetrated the direct materials category, which now represents over \$1MM in annual card volume
- The client has realized savings of more than \$500,000 in process costs related to invoice check payments through FTE redeployment and a reduction in check processing fees



Want to learn more?

The Visa Program Optimization Review may bring similar benefits to your company. For more information, or to request related materials and tools, please contact your financial institution today.

