

AFP 2017

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Data-Driven Strategies for B2B Payments and Working Capital Management

Moderated By:

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Co-Presented By:

Lisa Fredette, Director of Treasury – WinnCompanies

Craig Jeffery, Managing Partner – Strategic Treasurer

Jennifer Sanctis, Treasury Product Manager – Bank of America Merrill Lynch

About the Speakers



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Founder & Managing Partner
Strategic Treasurer



Jennifer Sanctis
Treasury Product Manager
Bank of America Merrill Lynch



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Director of Treasury
WinnCompanies



Elizabeth Ashley
VP Channel Strategy, Paymode-X
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Learning Objectives

For Treasury and Finance Practitioners

- Gain a 360* view of the current B2B payments landscape, including:
 - Strategies
 - Opportunities
 - Regulations
 - Risks
 - Technologies

For Corporate Practitioners

- Leave with practical advice and tips to optimize:
 - Departmental metrics
 - Liquidity
 - Working Capital
 - Cost Savings
 - Efficiency

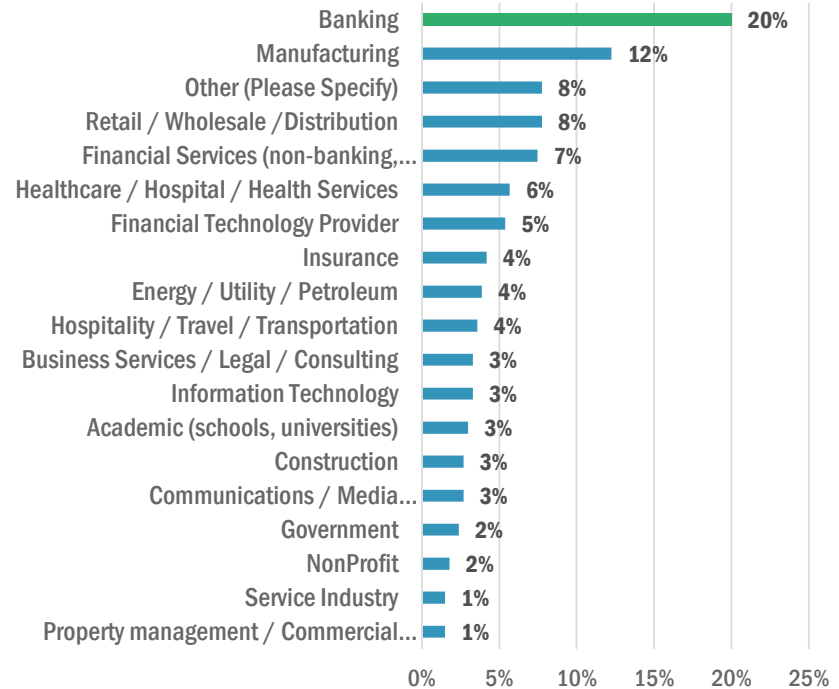
Topics of Discussion

- Survey Background
- Overview of Top Survey Takeaways
- Analysis of Key Points
- Final Thoughts

Survey Background

- First time survey
- 335 total respondents
- Ran from 1/12/17- 4/4/17

What is your organization's industry?



Top Survey Takeaways

The Corporate B2B Payments Landscape is Highly Global & Heavily Complex

- 67% of corporates were operating in more than one country, and 33% in 21+ countries

Planned Corporate Spend on Payments Technology is Elevated

- 4x more corporates plan to spend more on card payments this year vs those decreasing spending

ACH Tops Corporate List for Efficiency & Preference, Checks Disappoint

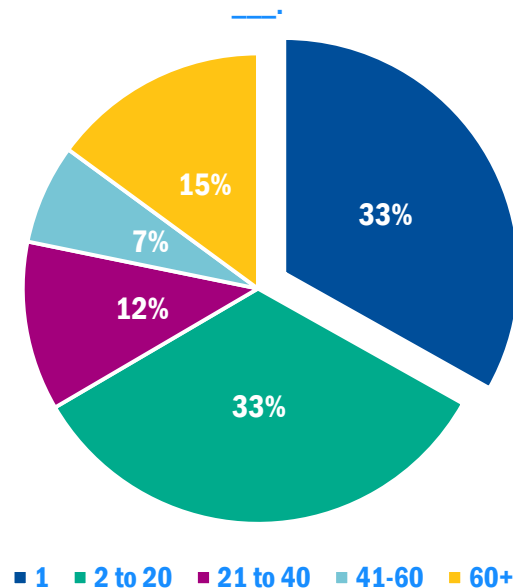
- ACH was listed as both the most efficient and most preferred B2B payment method by corporates, checks least efficient and least preferred

Bank Payables Offerings Play a Significant Role in Corporate-to-Bank Relationships

- 45% of firms see B2B payables as playing a very or extremely important role when it comes to selecting a bank

The Corporate Environment is Highly Global and Complex

Our business operates in this many countries



42% of corporates originate payments with **6 or more banks**

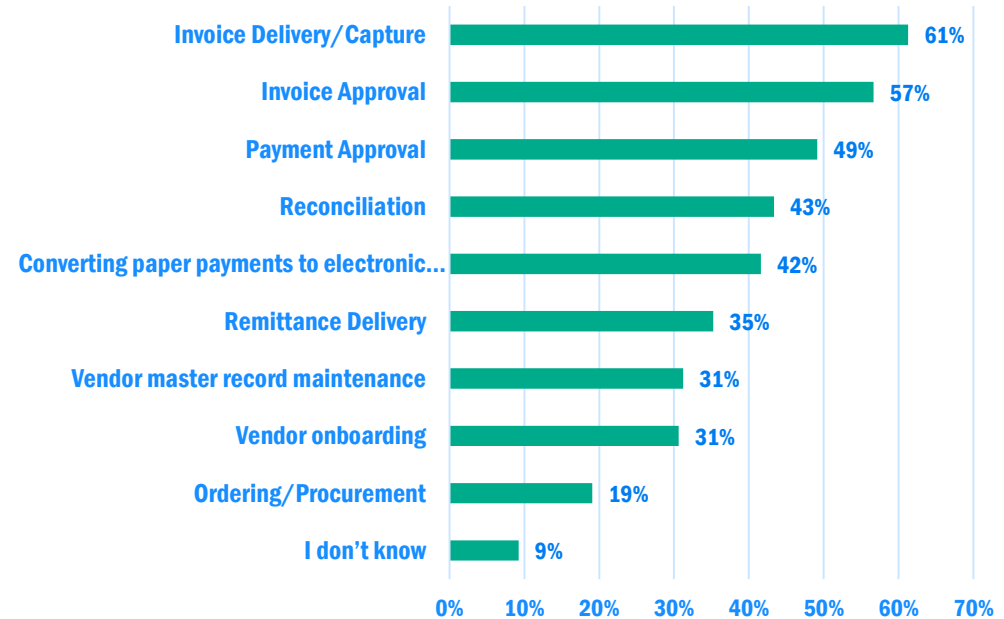
40% of corporates regularly make payments **using 6 or more currencies**

52% of companies generate **10,000+ payments globally** each month

Corporate Drivers for AP Focus on Automation

What are the most important components of the accounts payable process for gaining efficiency through automation? (Select all that apply)

52% of corporates indicated that automation of the AP process for efficiency and productivity is an “incredibly important” AP driver.



WinnCompanies: Automation Strategy Benefits

Vendors

| | |
|------------------------|-------|
| Target Vendors | 2,741 |
| Total Vendors Enrolled | 2,103 |
| %Conversion | 77% |

Spend

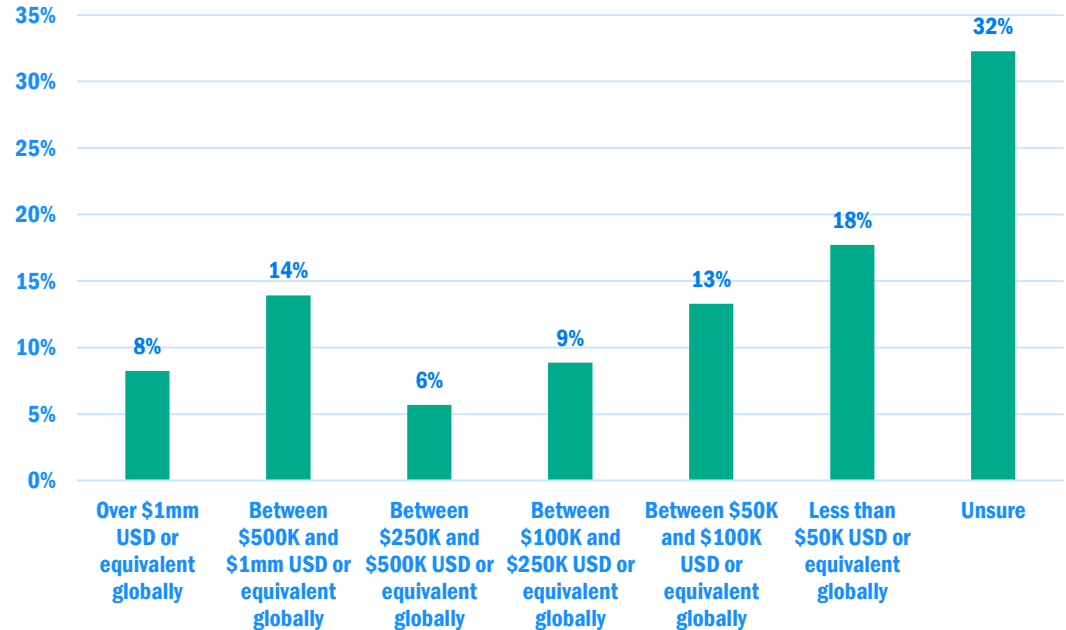
| | |
|----------------------|---------------|
| Target Spend | \$137,947,276 |
| Total Spend Enrolled | \$114,588,968 |
| %Conversion | 83% |

Corporate Planned Payments Spend

50% of corporates plan to **spend more than \$50,000** on payments technology over the next year.

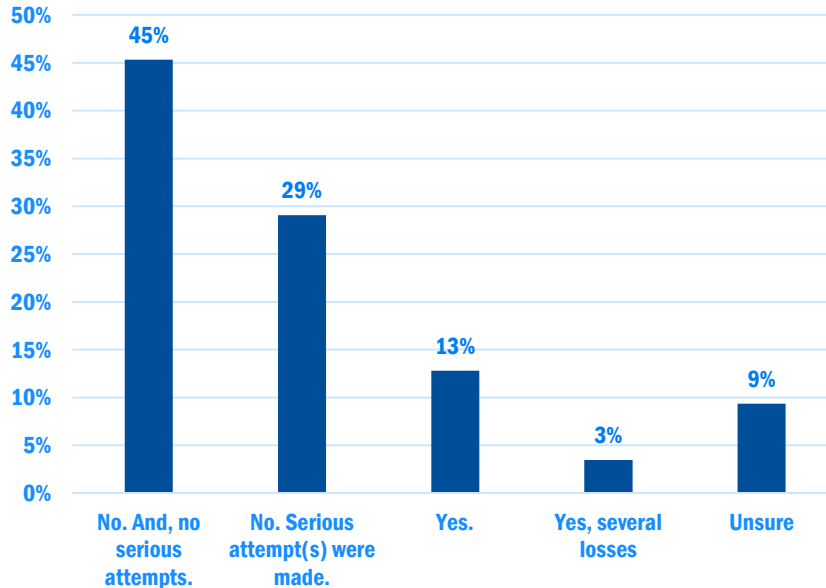
Areas of emphasis include **security, card programs, & AP automation projects**, especially related to B2B payments.

How much does your company plan to spend on payment technology in the next year (excluding staff costs and consumer card payments)?



Payment Security Remains a Major Concern for Corporates

We have suffered a loss on B2B payments due to fraud in the past year:

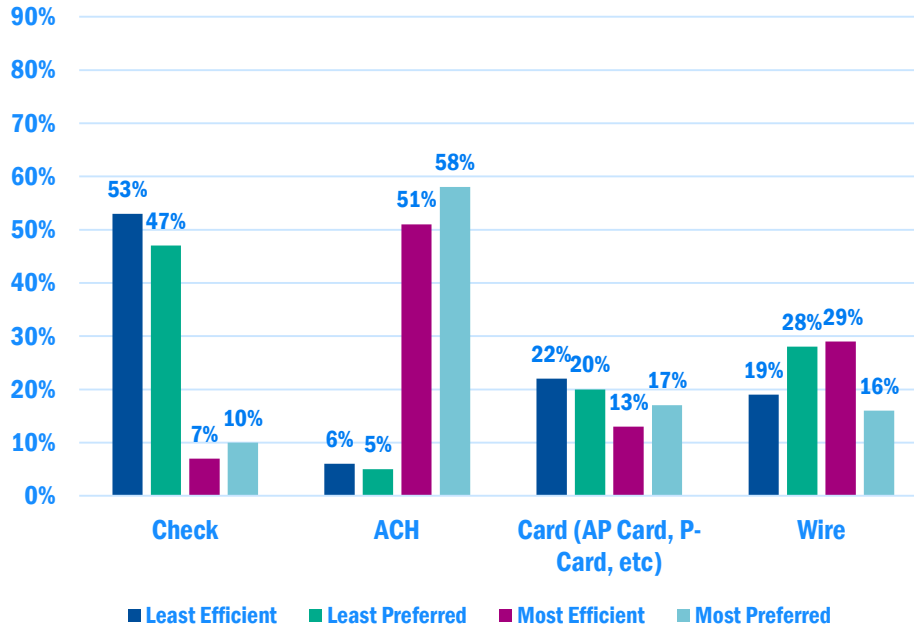


46% of corporates said security concerns were **higher or significantly higher** as compared to the previous year.

90% said that these same security concerns were affecting their current / planned technology spend.

The Most Efficient & Preferred Payment Method is...

[North America] For your organization's B2B payment methods, rank the following:



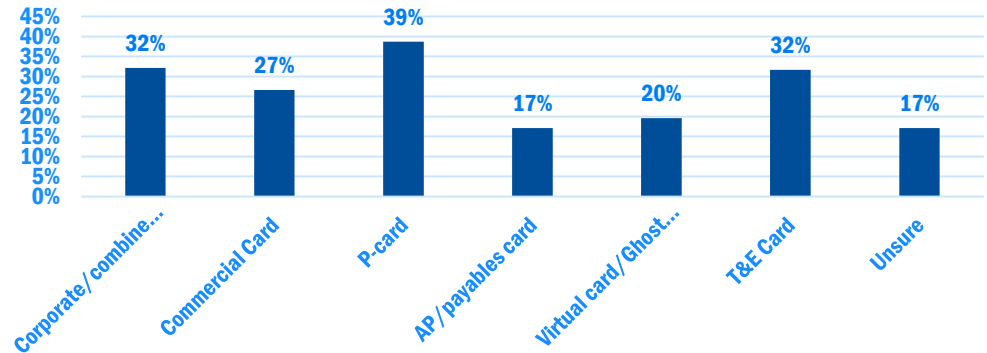
The majority of corporate respondents viewed **ACH** as both the **most efficient and most preferred** payment method, while checks were simultaneously the least efficient and least preferred.



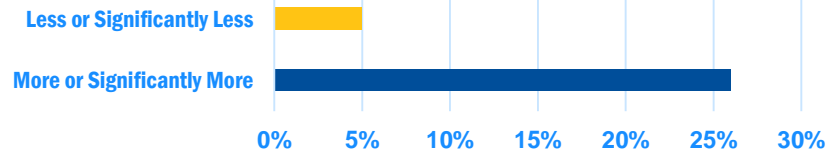
Corporate Card Programs are on the Rise

Even though many corporates already have a variety of card programs in place, 26% are still **spending more on card** in 2017.

What card programs do you have or plan to have in the next year?
(Select all that apply)

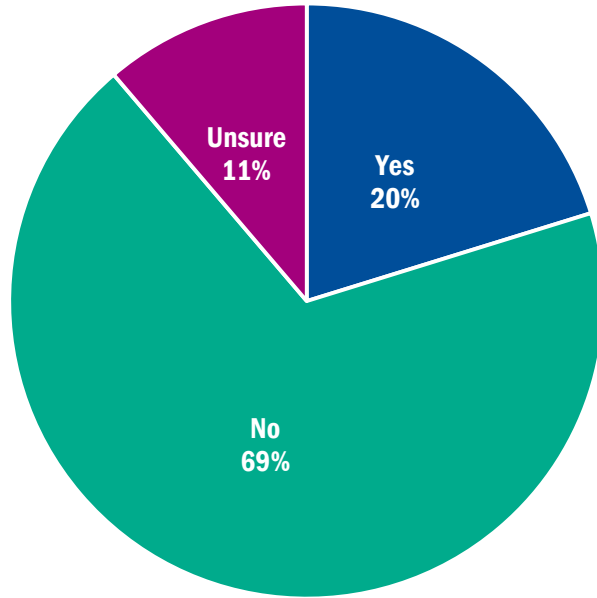


What are your expectations for spending on all card programs next year vs. this past year?



Non-Bank Providers for B2B Payments?

Do you use a non-bank provider for B2B payments?



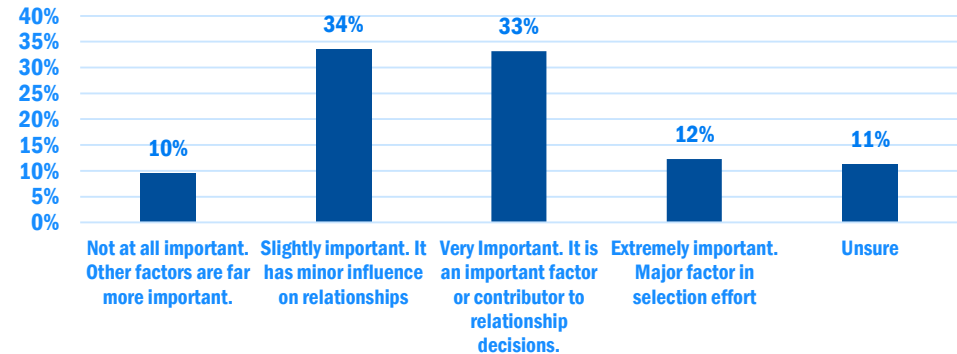
22% of firms indicated that they would be **willing to use a financial technology provider or non-bank payment platform** for B2B payments.

The B2B payments landscape has traditionally been **dominated by banks** - the **growing popularity** of non-bank providers points to a focus by corporates on **technology**.

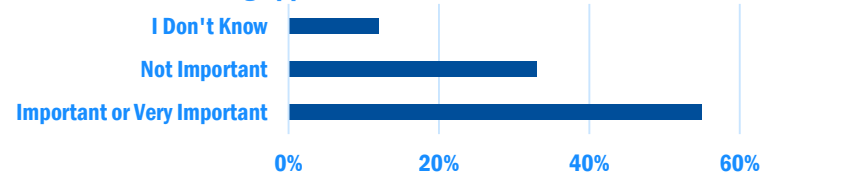
B2B Payables Play a Major Role in Corporate Bank Selections

45% of corporates rank **B2B payables** offerings as **very important or extremely important factors** in a bank selection process.

How important are B2B payables offerings when it comes to selecting a bank?



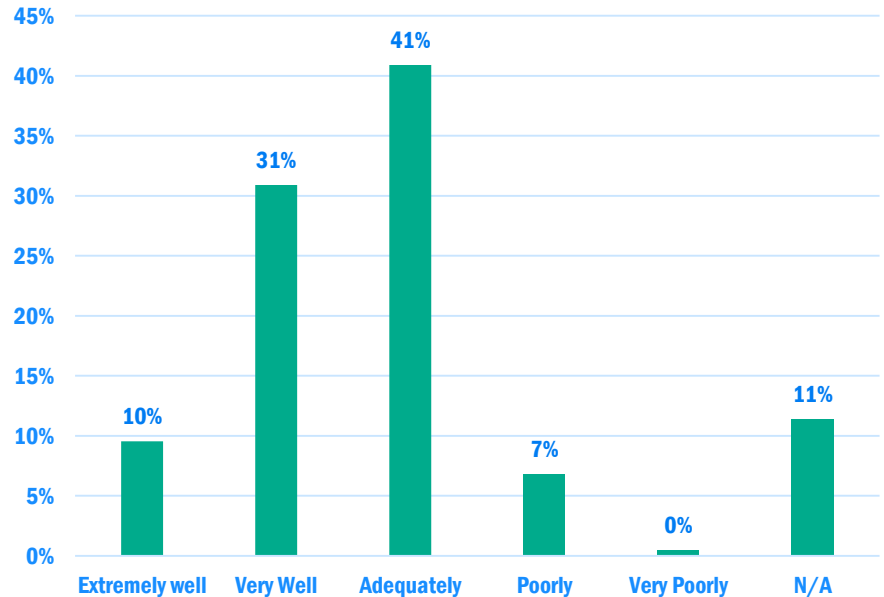
Is it important to you that your banks invest in commercial/corporate banking applications for mobile devices?



Banks Meet Client Needs for B2B Payment Services

Only 9% of corporates did **NOT** feel that their banks were investing in innovative B2B payables offerings.

How well do your bank's B2B payables offerings address your needs?



Final Thoughts

- There is significant complexity within the corporate payments landscape
- Intent to spend on payments technology is elevated
- The payment practices and strategies used by firms are evolving rapidly
- Corporates are placing increased emphasis on B2B payables

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