



Build a Brighter Future: Business Process Redesign

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Agenda

- Business process redesign
- Evaluate workflow inefficiencies
- Market and payment trends
- Benefits of payments optimization
- Considerations for P2E transformation
- Incorporating P2E strategy
- Conclusion and Questions



Management must answer

- **How can we streamline outgoing and incoming payment procedures?**
- **What resources are needed to implement preferred processes?**
- **What are the risks inherent in our current process?**
- **Is everyone on the same page?**

Shine a light on your Account Receivables workflow

BB&T

- 1. Payment Arrival/Capture**
- 2. Payment Match/Posting**
- 3. Cost of Deposit/Capture/Posting**



Shine a light on your Accounts Payables workflow



- 1. Invoice Arrival/Capture**
- 2. Invoice match to Purchase Orders**
- 3. Risks of Invoice/Payment Processing**
- 4. Costs of Invoice/Payment Processing**





Companies **need significant improvement** in managing payments. **75%**

68% Corporate **Controllers heavily focused** on cash flow optimization.



DID YOU KNOW? Only 18% of companies plan to improve AP processing in the next year.

“

Companies are heavily investing in technology, document imaging, OCR, E-invoicing, E-payables, vendor portals and third party payment processors.

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Trends affecting demand



- 💡 Technology
- 💡 Fraud
- 💡 Millennial generation
- 💡 Going mobile
- 💡 Business, client and supplier demands
- 💡 Credit availability

Shed light on the future of payments



- 💡 5 billion ACH payments total – 6.1% > Q1 '15
- 💡 1.1 billion WEB ACH payments – 11.6% > Q1 '15
- 💡 CCD ACH payments – 9.4% > Q1 '15
- 💡 CTX ACH payments – 8.4% > Q1 '15
- 💡 500 million addenda records – 11% > Q1 '15

**THESE TRENDS WILL IMPACT YOUR
PAYMENTS OPTIMIZATION**



There are \$\$ reasons to eliminate the paper: a range of between **\$0.26** and **\$0.50** per automatic clearing house (ACH) credit transaction and **\$1.50** for a purchasing card transaction.

WHAT IS PAPER COSTING YOU?

- **The median cost of receiving a paper check is \$1.57**
- **The median cost of sending a paper check is \$3.00**

Let's do the math





Basic

Electronic

Automated

Integrated

Benefits of Optimization and Redesign

Accounts Receivables

- Reduce and eliminate manual data entry
- More relevant information available to faster posting
- Improved funds availability
- Improved audit trail
- Lower processing costs
- **REDUCE DSO**



Accounts Payables

- Increased productivity by minimizing manual intervention
- Improved cash forecasting and payment timing
- Improved vendor relations
- Increased security
- Lowering borrowing costs
- **EXTEND DPO**



Payables & Receivables Integration

- 💡 Upgrade systems or technology?
- 💡 Better leverage existing technology?
- 💡 Automate business process?
- 💡 Increase ROI?
- 💡 Grow the business?

Don't stay in the dark!
Plan ahead.

- 💡 How will the changes impact your company?
- 💡 Can your system send and receive EFT's with remittance data?
- 💡 What are your software capabilities for data integration?
- 💡 What IT Resources do you need?







New Mindset!

New Results!



 **Step 1:** Identify the inefficiencies.

 **Step 2:** Evaluate current processes, systems and software. Do they meet your objectives?

 **Step 3:** Rally the staff, identify players and resources.

 **Step 4:** Implement!



What does the brightest future look like?

Payables Integration



Send one payment instruction file to the bank

- ACH, Same-Day ACH, Real-Time Payments
- P Card, V Card
- Wire
- Check

Receivables Integration



Capture and post incoming payments JIT

- ACH
- Credit Card
- Wire
- Lockbox, Remote Deposit, Image Cash Letter

Reconciliation



Receive blended payment posting files from the bank

- Payables and Receivables



P2E

SIMPLE
easy

efficiency

QUESTIONS?