

Industry Updates & Payment Trends

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National Accounts Manager
October 18th, 2021

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Visa Business Solutions

Payment Trends

October 1 2021

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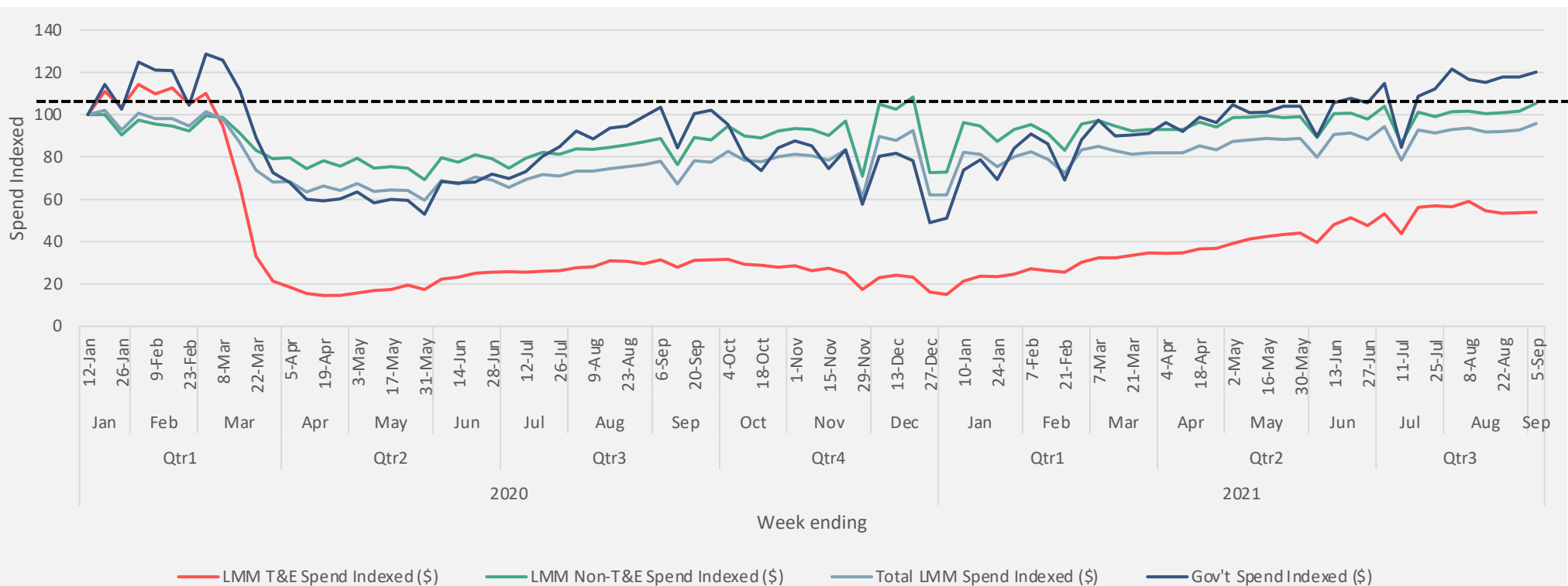
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What we are seeing: US Large and Middle Market Segment

- Business spending on travel continues to improve in US; recent weeks have seen some seasonal flattening – index stood at 54 for w/e 5th September.
- Non-Travel Spend continues to remain strong - ends month above 100 level – 105.4 index – highest since Dec. 2020.
- Government spend index has shown an improvement and now exceeds 100 (120 for w/e 5th September).

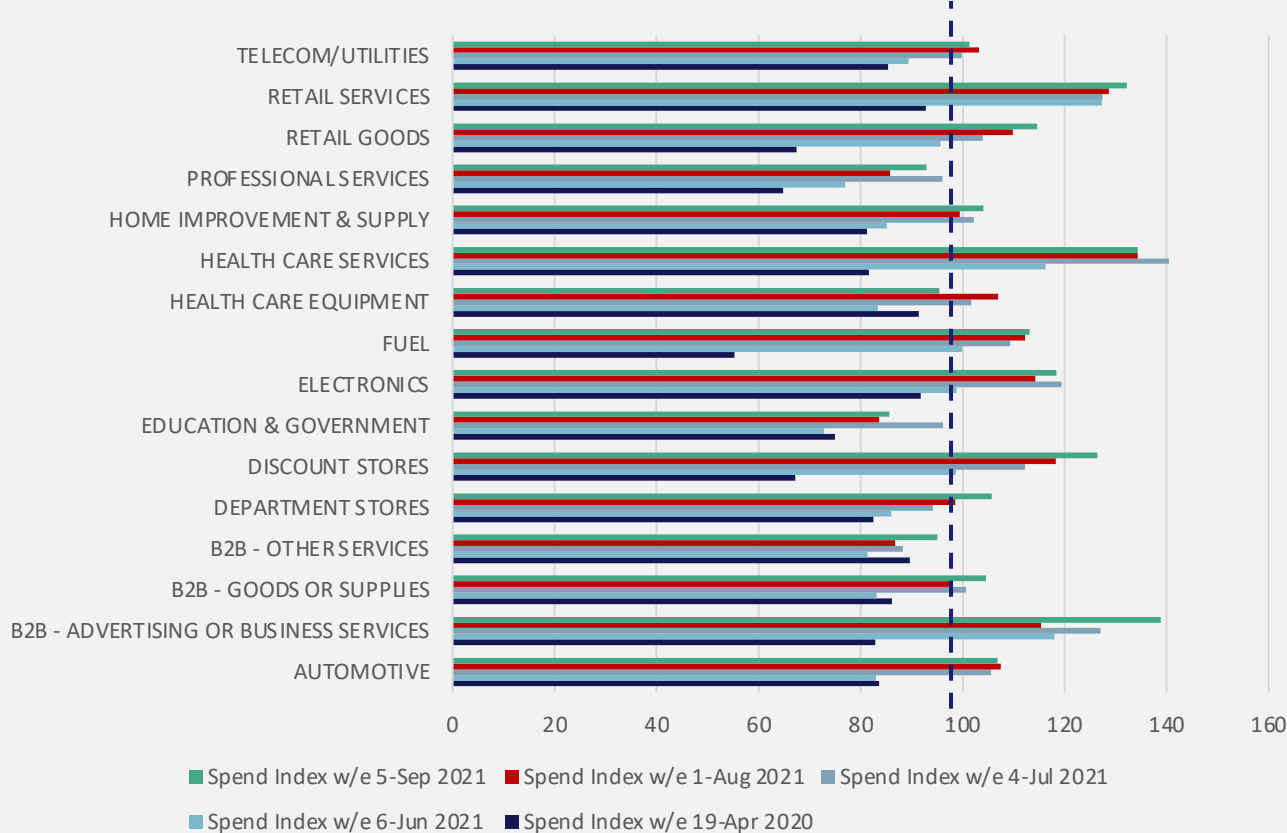


Sources: VisaNet data; index is compiled by comparing weekly spend to week ending 12th January spend level.

What we are seeing: LMM Expense Category Performance – Non-Travel

US seeing improvement from Trough in majority of AP spend categories – SPEND INDEX

Spend Index – from Trough w/e 19th April 2020 vs June 6th, July 4th, August 1st and September 5th, 2021



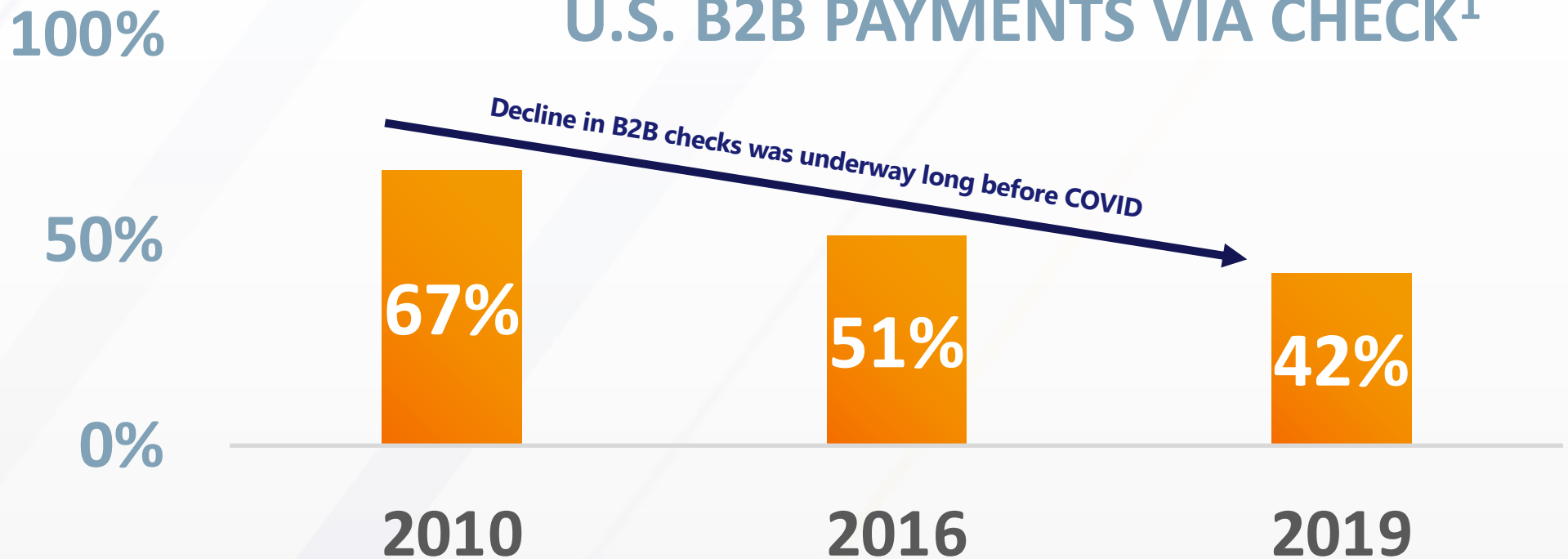
Key Observations

1. US is seeing continued strength in key AP categories
2. Major categories are seeing an increase in August 2021 with purchases picking up in Retail Goods & Services, Electronics, Health Care Services, Fuel, Discount Stores, Department Stores, B2B Goods or Supplies and B2B Advertising or Business Services expense categories, especially.
3. Other categories evidencing strength include: Automotive, Telecom/Utilities, and Home Improvement & Supply expense categories.

Source: LMM Spend Index based on VisaNet weekly spend growth compared to spend the week ending Jan 12th, 2020.

Prior to COVID, checks were prevalent in B2B but already declining in usage

U.S. B2B PAYMENTS VIA CHECK¹



In this digital age, checks remained surprisingly sticky with corporates

Developing an Effective Card Payment Strategy

Joseph Leonard,
Card Account Manager
October 18th, 2021

Who Are You?



- **Take a Look at Your Organization.** Are you satisfied with your current process? Do you have buy in from the top down?
- **Are we Leveraging Technology?** In our current environment, have you fully taken advantage of all the technology your organization pays for?
- **Green Initiatives.** Have you made a genuine effort to truly get away from paper? i.e. checks, files, record retention, etc..



Three pronged approach to card payments



➤ **Purchasing Card Program.**

Full reconciliation, general ledger coding, and customizable file uploads of transactional data into your software accounting system

➤ **Travel Card Program**

Travel expenditures are back on the rise. Are you prepared?

➤ **Virtual Payables**

Paying your vendors in a fast, safe, and tokenized environment.



Ways To Grow Your Card Program



- **Utilities and Tax Payments.** Setting up a Dedicated Card in your AP Department to pay for these monthly recurring expenses
- **Fuel & Vehicle Maintenance.** Coming away from traditional fleet cards for fuel and designating a chain automotive repair facility for maintenance, if not conducted in house.
- **AP Vendor File.** You can provide for us a AP Vendor check file, and we can tell you which vendors will accept a card payment.



Purchasing Card Suggested Areas of Spend

Grow spend to maximize float, rebate and rewards

Merchants that typically accept card

National Merchant Categories	Regional Categories	Other
<ul style="list-style-type: none"> ▪ Accounting/Legal/Consulting Services ▪ Advertising/Marketing Services ▪ Building Materials ▪ Business Services ▪ Catering/Food Service ▪ Electrical Parts and Equipment ▪ Electronics/Computer/IT ▪ Employment Agencies/Temp Services ▪ Facilities ▪ Fleet Service ▪ Fuel/Utilities ▪ Industrial Equipment/Supplies ▪ Laptops, Notebooks, & I-Pads ▪ Laboratory Services/Supplies ▪ Mailing/Courier/Freight ▪ Office Products ▪ Office, Photographic, and Photocopy Equipment and Services ▪ Packaging ▪ Parking Lots/Services and Commuter Fees ▪ Pharmaceuticals ▪ Printing/Copying Services ▪ Publishing Services and Supplies ▪ Telco/Data Service and Equipment ▪ Tickets ▪ (PPE) Personal Protective Equipment ▪ Covid-19 Testing Supplies 	<ul style="list-style-type: none"> ▪ Advertising ▪ Aviation Services ▪ Building Materials ▪ Catering/Food Service ▪ Facilities - Landscape ▪ Facilities - Pest Control ▪ Facilities - HVAC and Plumbing ▪ Fleet Service (Diesel) ▪ Janitorial ▪ Machine Shops ▪ Uniforms/Apparel/Laundry 	<ul style="list-style-type: none"> ▪ Newsprint ▪ Ink ▪ Rebar ▪ Concrete ▪ Cash Sorting Machines

The Platform Transformation Strategy

GOAL: Simplify and improve the client experience through consolidated platforms, consistent user interfaces, and streamlined sign-on capabilities.



Centralized access through Global Card Access eliminates multiple logins and passwords needed to access the required functionality



Multiple “platforms” become “features” as we move functionality into Global Card Access



Enhanced tools and reporting features that benefit both PAs and Cardholders are centrally available on Global Card Access

*Global Card Access is becoming **the single point of access** for cardholder and program administrator tools through a multi-year strategic product roadmap.*

Global Card Access Mobile App

A convenient way to access card account details anytime, anywhere



App features in initial release include:

- Register a new card
- Review credit limit, balance, available credit and recent card activity in the dashboard
- View PIN
- Lock/Unlock Card
- Login using biometrics authentication
- Maintain profile and account security information
- Recover user ID and password
- Contact servicing

2021 enhancements include:

- Card activation
- Enhanced Account Dashboard – decline reasons & posted transactions
- Redesigned log-in page to communicate new features and announcements
- Push notifications to complete Strong Customer Authentication for online purchases (EMEA)

The End Result...



- When a supplier is **unwilling to accept card payments**, businesses often assume the burden of managing paper-based payments, like checks, which can be costly and inefficient to manage.
- **Client adoption** is just as important as vendor adoption.
- Having a Payment Strategy in place with a focus on automation doesn't replace people or processes. **It makes processes and people better.**



Through **Payment Automation**, employees can focus on getting back to business.



- **New** State of South Carolina Purchasing Card Contract
- New Contract commenced on **October 1, 2021**
- Maximum contract period runs through **September 30, 2028**
- New projected annual volume estimated at **\$427.7MM**
- **Current YoY volume**; as of August 2021. up **+19.5%**

Questions?