5 easy steps to effective card program optimization

Setting goals is key to making progress. It's no different with your card program. By expanding how much of your business expenses can be paid by virtual card, you gain revenue by earning rebates and process savings by eliminating manual tasks. Defining goals for growing your program can motivate changes that drive results. But, for those with already long to-do lists, knowing where to start can be daunting. That's why the U.S. Bank Optimization Services team does the heavy lifting for you. We have five easy ways to optimize your card program that are proven to show results.

Step 1 – Update your payment terms strategy

Establishing an effective terms strategy is a powerful tool for encouraging suppliers to accept card payments. One of the key advantages your program can offer suppliers is the immediacy of virtual card payments. Simple adjustments to your established policies, like making check payments net 60, can give your suppliers a compelling reason to make the switch and create a strong foundation for ongoing optimization efforts. Our team can share best practices and help you work with your Treasury team to ensure that your terms align with your cash management strategy and your program objectives.

Step 2 – AP file analysis

One of the best ways to identify opportunities to convert payments to virtual card is by having our expert U.S. Bank team analyze your accounts payable (AP) file. All you need to do is provide a payment register query out of your ERP system or use our AP file template. Our payments experts can complete your analysis without contacting suppliers. We use proven tools and the latest technologies like artificial intelligence to identify accepting suppliers, flag pricing discounts and measure potential program growth. Once you have reviewed and approved identified suppliers, we can conduct a supplier enablement campaign at no cost to you. We'll work directly with your suppliers, manage all communications and streamline the transition to paying with a virtual card.

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– Ryan Zehnder
Vice President &
Director of Strategic Enablement
U.S. Bank

usbank.

Step 3 – Utilization analysis

Once you've completed your first AP file analysis and supplier enablement campaign, the most important thing is to make sure all card-accepting suppliers are enabled as such in your ERP system. To ensure every enablement step has been taken care of, we perform a utilization analysis. Essentially, it's a way to double-check that every supplier identified and onboarded to take a virtual card payment has actually made the transition. We compare actual program spend to what was projected and then look at payments to each supplier to ensure they are now being paid by virtual card and not the previous method of payment. We'll work directly with your AP staff to ensure everyone enrolled to receive virtual card payments is being paid that way.

Step 4 – Industry analysis

After direct evaluation of your suppliers, we can also conduct a broader industry analysis that compares your payments to those of other organizations in the same industry. This lets us determine if you work with suppliers who have declined to accept a virtual card payment but may be accepting virtual payments from other companies in your industry. Understanding industry payment norms and benchmarking your program versus peers helps ensure we maximize participation. It also provides valuable information to share within your organization to build buy-in for your program goals.

Step 5 – Slippage analysis

Just like with personal goals, finding where things may be slipping and falling through the organizational cracks is key to making the most of your program. A slippage analysis identifies suppliers being paid in multiple forms. If card-accepting suppliers are being paid via other methods, we work to shift those payments to virtual card. We also look at suppliers with multiple locations in your ERP system, and if one site is accepting card payments, we reach out to convert the rest. Our payments experts carefully review your files to ensure virtual payment opportunities aren't missed.

Keeping up with goals is an ongoing effort. Program optimization is no different. This is about continuous improvement. The good news is that our Optimization Services team will help you every step of the way. This is a repeatable process. And clients who regularly revisit these steps see significant returns—up to a 30% increase in program volumes. Definitely numbers that will get you to your goals faster. Now if only the rest of life worked that way!

To get started with Optimization Services, visit **optimization.usbank.com** or **contact us directly**.

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