

Virtual card payments now run in parallel with existing supply chain finance programs

Leslie Backus, President, VSPiRE

Supply chain finance (SCF) programs providing corporate buyers business-to-business (B2B) electronic early payments to their supply chain has been around for over a decade. Typically, these SCF offerings have only converted less than 10% of the corporate buyer's eligible suppliers from check payments to electronic funds transfer. This has become a frustrating reality for buyers who spend several months implementing a SCF program. Often times, these fully implemented SCF programs leave thousands of suppliers without an electronic payment solution, which both the buyer and supplier are desperately in need of. Even though SCF offers a viable early payment solution to strategic suppliers, this product offering is not a one-size-fits-all.

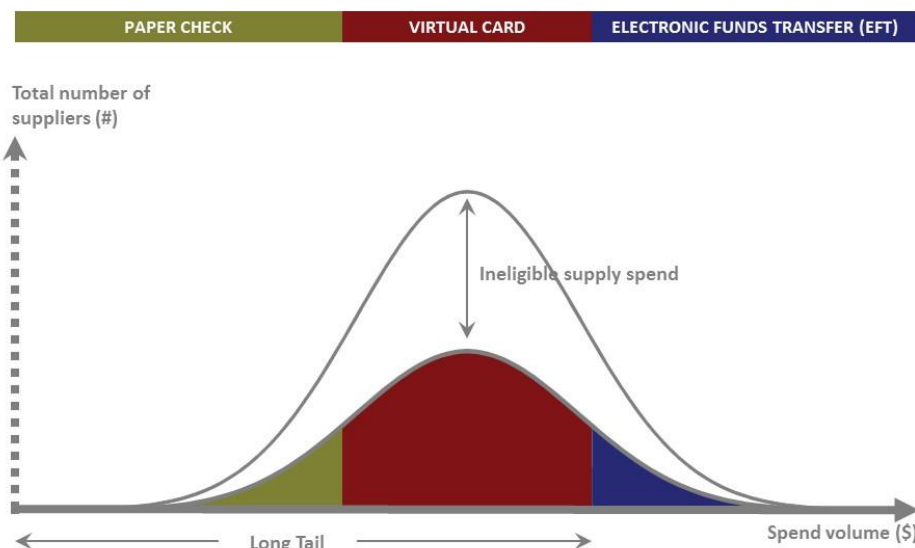
GREAT NEWS! Corporate buyers have found that they can offer their suppliers an alternate electronic payment solution, in addition to SCF. SCF providers (primarily funded by large banks) will only on-board the buyers top 10% of supply spend. This low enrollment volume is driven by the SCF provider and banks high annual supplier volume threshold. This strategy leaves 90% of the supply base in limbo. This 90% can also be referred to as "the long tail" of the supply chain.

Introducing Virtual Cards (V-Cards), the newest electronic payment mode leading the pack of electronic payments of B2B supplier payments. V-Cards are tied to a single supplier payment issued for a specific dollar amount. Overall, V-Card offers the most substantial benefits to the buyer and the supplier. Unlike SCF, V-Card implementations typically achieve more than 50% of the overall supply spend.

Supplier payments via V-Card:

- Eliminate the cost of paper check processing
- Offer rebates for transactions to the buyer
- Provide the buyer with working capital gains
- Deliver more secure payment options with less fraud
- Improve financial controls for lost or stolen checks
- Deliver faster supplier payments and processing
- Improve overall supplier relationships
- Are implemented in approximately 21 days!

Several Fortune 1000 firms have caught on and have implemented V-Card programs alongside their legacy SCF programs to go deeper into the supply chain (or convert "the long tail"). V-Card payments are growing at a steady annual rate of more than 9% and are expected to reach over \$350 billion by 2018. The B2B overall payments space is estimated to be \$450 trillion. V-Card has only begun to scratch the surface to penetrate this space.



About VSPiRE

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Leslie Backus is the President of VSPiRE. She and her team have over 15-years of virtual payment solutions experience and have lead program implementations of over 100 buyer programs and have successfully on-boarded over 10,000 suppliers in multiple electronic payment solutions.

VSPiRE's unique advantages are to:

1. Offer virtual card solutions in parallel with existing SCF or dynamic discounting programs while NOT disrupting buyers existing treasury relationships, and
2. Offer rebate revenue or offer expedited payments, using a proprietary algorithm to enrolled virtual card suppliers while maintaining buyer's standard payment terms (improves cash flow, while gaining float advantage).