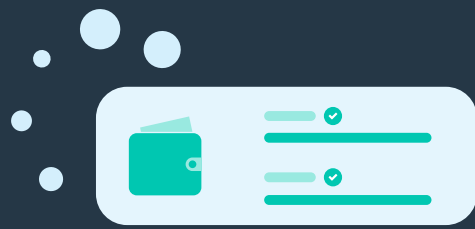# Creating new revenue streams with digital payments and virtual cards

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Introduction

It's time for a shift in how Accounts Payable (AP) departments operate. Updating legacy AP systems is necessary for more efficient operations and a reduction in the risk of costly mistakes. More importantly, these legacy systems leave little room for improved efficiency, or revenue generation.

As more businesses adopt digital forms of payment, the paper-free administration that AP departments have been dreaming of is now a reality. While customers enjoy worry- and cash-free spending, digital payments can also influence day-to-day administration for back-of-office accountants in a way that not only optimizes entire processes but creates brand new revenue streams, too.

But, before dissecting digital payment solutions and virtual cards and how they can make AP more efficient, it's important to understand the problem at hand. So, let's start by asking some essential questions about how AP departments currently operate.

Why overhaul legacy accounts payable systems?

Accounting software is by no means a new idea. However, manual processes still play a massive role in accounts payable operations — big or small — and are a major pain point.

Physical workflows are slow and leave room for human error that can cost a business time and money. In 2023, 40% of businesses[1] still rely on manual payments from suppliers, which leads to longer payment approval windows and higher invoice processing costs.

Next, legacy AP systems have limited integration with other enterprise systems, making it difficult to support new payment methods. Software incompatibility can create bottlenecks that further hinder operational processes, and trying to retrofit new tech with old applications creates more headaches than solutions.

Lastly, fraud and theft remain a large concern for AP departments. Beyond check fraud — which is still a large problem — 51% of organizations[2] report experiencing platform fraud in the past two years. Of those, 53% suffered financial loss as a result.

Turning your cost center into a profit center with digital payments

Switching from manually intensive payment processes, like writing physical checks, to automated accounting systems is an effective way to save money. The average cost to process just a single invoice in 2023 is about $10.18[3], which is an increase of 10% from the past year.

Reflective of that, manual invoice processing takes a staggering 10 days (nearly 11), on average[4]. So, how can digital payments help?

Automated accounts payable technology, in tandem with digital payments, can minimize or negate many of the high-cost fees and delays that AP is all too familiar with.

Combine the savings from automation with rebates offered by digital payment partners like WEX, and you've effectively created a brand-new revenue stream.

But, what else can digital payments do for you? Let's have a look at some of the other advantages.

The benefits of digital payments and virtual cards for AP and suppliers

Both digital payments and virtual cards offer buyers and suppliers myriad benefits.

For accounts payable, digitized payment solutions provide:

Efficiency: Automated digital payments are faster and more efficient than manual processes, leaving AP more time to focus on value-add business objectives.

Better security: Single-use virtual cards leverage randomly generated 16-digit credit card numbers that help greatly reduce the risk of accounts payable fraud and unauthorized use.

Saved time and money: Digital payments cost less and are quicker to process compared to physical invoices.

And for suppliers:

Faster payment: Digital payments produce efficiencies across the payment process to get merchants their money faster. Plus, pre-generated virtual cards help mitigate overpayment.

More transparency: Payment digitization has given suppliers a clearer window into the payment process. Knowing when payments have been approved, sent and received at a moment's notice helps reduce miscommunication and improve supplier relationships.

Lower risk: Security risk and liabilities related to human error are far less of a concern with digital payments, so suppliers can transact with more confidence.

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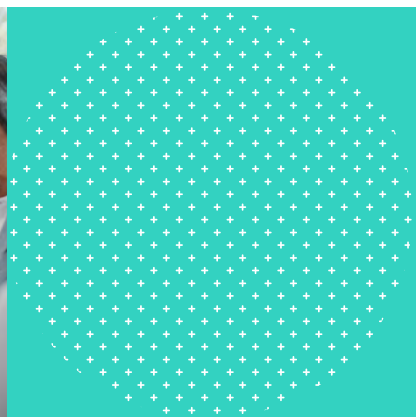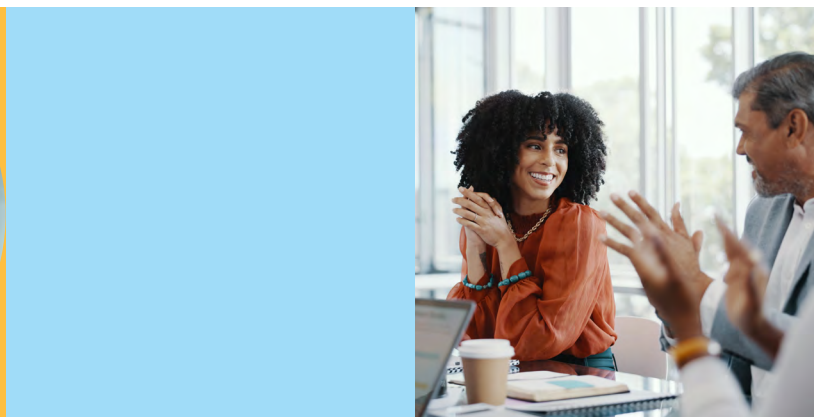
What to look for in a payments partner

Once you're set on digitally transforming your payment process, it's time to choose a partner that can facilitate success. To make the best choice, it's important to know what an exceptional partner should bring to the table.

Firstly, a robust onboarding process. Oftentimes, businesses are turned off by the idea of payment digitization because of the time and resource implications that it entails. WEX supports clients' onboarding to our products, typically at no cost to you, depending on customer or partner size and requirements.

Next, your payment partner should help map out your suppliers effectively. WEX provides a benchmarking system to identify vendors most likely to convert to a virtual card to better target your spending.

Lastly, whichever payment partner you choose should be committed to transparency. Suppliers dread opaque payment processes riddled with hidden fees, charges and misleading agreements. WEX is as committed to your suppliers as you are, so they'll know exactly what they're getting and when they're getting it.

Simplifying the challenges of supplier enablement

Trying to achieve integrated supplier enablement can seem overwhelming. Not only do you have to make sure all your internal processes will integrate with your suppliers' systems, but you may also need to buy additional hardware and software and develop a comprehensive training program for all staff.

That can quickly get complicated, expensive, and waste precious time and energy — but it doesn't have to be that way. WEX has robust supplier enablement tools to simplify the process.

WEX accepts file and API integration from most ERPs today, and can also be flexible when a customer needs customization to be able to process payments.

Plus, WEX offers a robust suite of application programming interfaces (APIs) and web services for any customers wanting to integrate with us.

And, finally, it's not as complicated as you think. WEX's comprehensive onboarding process is the culmination of decades of virtual payment experience, and we're here every step of the way.

A virtual payments campaign designed for successful onboarding

Onboarding is a critical step in switching over to digital payments. You want a partner that will not only set up your virtual card payments system but will also follow through and ensure that suppliers are enrolled in the virtual card program and are comfortable using it.

WEX has designed a campaign-style supplier onboarding process that accomplishes just that. Here's what it looks like:

Opportunity analysis: WEX looks at your entire supplier portfolio prior to onboarding and ranks suppliers in order of importance. Then, the WEX team starts with the most critical suppliers.

Prep: WEX assigns a dedicated campaign manager to articulate buyer strategy with you, and prioritize and target the agreed-upon vendors.

Execution: WEX creates the entire plan from analysis to correspondence with a comprehensive set of collateral prepared to meet your expectations.

Reporting: WEX analyzes and reports on the campaign, making sure to store data that will help improve future ventures.

Partnering with WEX for all your digital payment needs

Solutions are available for streamlining legacy AP processes to reduce inefficiencies and create new revenue streams for your business, and digital solutions and vertical cards produce tangible benefits for businesses and suppliers alike.

WEX is committed to the success of its partners. We simplify and streamline payments so you can create value with every transaction.

Browse payment products and solutions including:

- WEX payment management system.

- WEX payment partner.

- Supplier services.

- WEX payment network.

- WEX payment gateway.

Sources

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