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Housekeeping

• Handouts
• This program will be recorded
TODAY’S SPEAKERS

Natalie Silverman
Director of Product Marketing
Billtrust

Melissa Allison
Corporate AR Manager
Mayer Electric Supply Co.

Mark Horn
Corporate Credit Manager
Mayer Electric Supply Co.
We stand today on the edge of a New Frontier...the frontier of unknown opportunities and perils, the frontier of unfilled hopes and unfilled threats.
INVOICE-TO-CASH: STRATEGIC OR TACTICAL?

Most companies do not have a strategic solution for the invoice-to-cash process

“We can never seem to find a system that is flexible enough and that allows us to change and adapt fast enough.”

-Global Business Services Regional Director, Americas, Consumer Products Manufacturing
TODAY’S INVOICE-TO-CASH LANDSCAPE

The Traditional Payment Lifecycle

- Invoices generated within ERP
- Manually Mailed
- Manually Emailed via ERP
- Sent thru AP Network
- Customer Receives Invoice
- Paper Check is mailed back
- Remittance information keyed in manually
- Sent to Lockbox
MAYER ELECTRIC SUPPLY

Invoice-to-Cash Process Before 2007

- Printing & stuffing machine to send invoices
- Outsourced printing to 3-party print-shop
- No electronic delivery functionality within ERP
- No single solution to manage and automate all parts of invoice-to-cash
Elevated Customer Expectations
(They have other choices)

Continuously Changing AP Processes
(Or risk losing customers)

“Disasters” Preparedness
(Or risk the cost of invoices not going out)

Degraded Postal System
(Poorer service, longer delivery times)

Interest Cost Increases
(Every day you don’t get paid, the more interest you pay)

Loss of Tracking/Control
(Having full visibility into the process)

Security Requirement Imperative
(Breaches can be disastrous)

Failing to Leverage New Payment Channels
(Electronic, Electronic, Electronic)

Lose Focus on Core Business
(Risk poor execution of essential initiatives)
What is Payment Cycle Management?

Best practices, strategies and technologies companies use to successfully manage their invoice delivery, invoice payments and cash application, with the goal of improving cash flow.
A NEW FRONTIER: PAYMENT CYCLE MANAGEMENT

Leverage technology & best practices to:

- Reduce Costs
- Accelerate Cash Flow
- Increase Automation
- Improve Transparency

Intelligent matching and cash application
Secure multi-channel payment options
Tailored invoice delivery
Print & Mail Delivery
Print Invoicing Best Practices

Next-Generation Invoice Delivery
INVOICE DELIVERY

Print & Mail: National Coverage

National coverage for faster delivery times

- Vancouver, BC - Western Canada
- Portland, OR - Northwest
- Sacramento, CA - West Coast
- Dallas, TX - Southwest
- Chicago, IL - Midwest
- Jacksonville, FL - Southeast
- Hamilton, NJ - East Coast
- Toronto, ON - Eastern Canada
INVOICE DELIVERY

Print & Mail: “Bullpenning” to reduce costs

Without Bullpenning

<table>
<thead>
<tr>
<th>Day</th>
<th>Invoice</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td>ABC ELECTRIC</td>
<td>$15.26</td>
</tr>
<tr>
<td></td>
<td>ANYTOWN, USA</td>
<td></td>
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<tr>
<td>Tuesday</td>
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<td>$125.47</td>
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<tr>
<td>Wednesday</td>
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<td>$475.99</td>
</tr>
<tr>
<td></td>
<td>ANYTOWN, USA</td>
<td></td>
</tr>
</tbody>
</table>

Cost Estimate

- 3 Invoices x $0.50 Per Envelope = $1.50 Total Charges

With Bullpenning

<table>
<thead>
<tr>
<th>Day</th>
<th>Invoice</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td>ABC ELECTRIC</td>
<td>&lt; $250</td>
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<tr>
<td></td>
<td>ANYTOWN, USA</td>
<td></td>
</tr>
<tr>
<td>Tuesday</td>
<td>ABC ELECTRIC</td>
<td>&lt; $250</td>
</tr>
<tr>
<td></td>
<td>ANYTOWN, USA</td>
<td></td>
</tr>
<tr>
<td>Wednesday</td>
<td>ABC ELECTRIC</td>
<td>$475.99</td>
</tr>
<tr>
<td></td>
<td>ANYTOWN, USA</td>
<td></td>
</tr>
</tbody>
</table>

Cost Estimate

- Invoice x $0.50 Per Envelope = $0.50
- 1 First Bill Charge = $0.50
- 2 Additional Pages x $0.05 Per Page Fee = $0.10
- Extra Pages Charge = $0.60
- Total Charges = $1.20
Electronic Delivery

Electronic Invoicing Best Practices

Next-Generation Invoice Delivery
INVOICE DELIVERY

Electronic Invoicing: Leveraging ERP Data
INVOICE DELIVERY

Electronic Invoicing: Multi-Channel Capabilities

- Some customers expect the ability to pay vendors online
- Others prefer to receive invoices by email or fax
- An electronic platform with automated multi-channel delivery capabilities is essential
Invoice Payment

Electronic Payments

Next-Generation Multi-Channel Invoice Payments
Electronic ACH payments offer businesses:

- **Faster funding** over paper checks;

- **Fewer manual exceptions** (over paper checks, wires, etc.)

- **Tracking capabilities** (compared to hearing, “The check is in the mail”)

- **Immediate payment options** for last-minute and/or delinquent customers
INVOICE PAYMENT

Offering Credit Card as a Payment Option

- Growing Purchasing Card trend
- Lower costs with Level III payment processing
- Level III credit card processing capabilities:
  - More data per transaction over standard level I processing
  - Purchasing cards, the fastest growing B2B payment method, require more data to facilitate AP reconciliation
  - Credit card companies offer lower fees on level III processing as an incentive to push purchasing cards

### How Much Can Processing Level 3 Save?

<table>
<thead>
<tr>
<th>Transaction Amount</th>
<th>Standard</th>
<th>Level 3</th>
<th>Savings</th>
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</thead>
<tbody>
<tr>
<td>$5,000</td>
<td>$147.60</td>
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<td>$57.50</td>
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<tr>
<td>$10,000</td>
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<tr>
<td>$100,000</td>
<td>$2,950</td>
<td>$1,230</td>
<td>$1,720</td>
</tr>
</tbody>
</table>

Based on MasterCard interchange schedule
INVOICE PAYMENT

Payment Functionalities

For your customers:
• Ability to pay online 24/7
• Autopay functionality
• Workflow approval
• Short pay options

For your business:
• Visibility into payment details
• Control over credit card usage
• Dispute handling
• Reporting: who’s taking advantage of autopay, ACH, credit card payments, etc.?
Cash Application

Intelligent Cash Application
Use a hybrid approach of user-guided modeling (accuracy) and matching intelligence (speed and automation) to:

• Reduce bank lockbox fees & in-house staffing costs
• Improve posting time and receivables data quality
• Maximize hit/match rates
• Reduce errors and exception items
• Process deductions automatically
• Integrate easily with your bank & ERP Systems
Success in Action
Mayer Electric Supply
INTEGRATED INVOICE-TO-CASH ECOSYSTEM

Mayer Electric Supply

- Invoices generated within ERP
- Data File sent to Billtrust
- Automatically Mailed
- Automatically Emailed
- Automatically sent to online portal
- Electronic payments automatically processed and applied in ERP
- Paper checks & decoupled remittances processed thru intelligent cash app engine and auto-applied

Customer receives invoice via preferred channel
94% of customers paying within Mayer’s target terms limit
VISIBILITY & CONTROL

Mayer Electric Supply

Client Connect: Mayer Electric Supply

Please Choose A Report:
- eDSO By Month
- Auto Pay Report
- Bullpen Reports
  - Bullpenned Invoices
  - Bullpen Statistics

Bullpen Statistics - This report summarizes key data from your past thirty days of invoicing activity to help you optimize your Bullpen settings.

Bullpen Statistics Report

Current Bullpen Settings
Invoices will be bullpenned as long as the sum of all of the invoices for a customer is below $2500.00 and no one invoice is more than 5 days old.

Activity For The Last 30 Days (only includes Print invoices)

- Total Invoices Mailed: 37,194
- Average Invoice Amount: $994.41
- Total Invoices Bullpenned: 12,943
- Percent of Invoices Bullpenned: 34.8%
- Average Days Bullpenned: 3.4
- Estimated Annual Savings: $22,381
VISIBILITY & CONTROL

Mayer Electric Supply
By implementing an automated and intelligent Cash Application system, Mayer has:

• Achieved a 50% match rate from bank and a 78% match rate after going through enter and balance
• 90% match rate from electronic payment portal
• Reduced headcount from 7 to 3 while growing the business
• Cost reductions
CONTACT US FOR MORE INFORMATION ON PAYMENT CYCLE MANAGEMENT SOLUTIONS

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Thank You!

Questions after the event? E-mail webinars@iofm.com

We hope to see you at a future AP Network event! For upcoming events please visit www.tapn.com.