



CASE STUDY

Manufacturer makes the switch to electronic supplier payments and realizes major ROI



Corcentric Payments provides the technology and market knowledge to transform company's disbursement process

The Business

An industry-leading diversified manufacturer with nearly 11,000 employees saw an opportunity to significantly reduce costs by minimizing the number of checks they were initiating in favor of electronic payments.

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Specifically, the manufacturer wanted to implement a digital payment process that would allow them to integrate their SAP system with their bank payment system, take advantage of payment discounts offered by suppliers more frequently, improve their cash forecasting capabilities, simplify reconciliation, reduce check fraud, and improve supplier relationships.

After considering the technology development, staff resources, and time required to convert to electronic payments on their own, as well as reviewing proposals from three other vendors, the company partnered with Corcentric to adopt its Corcentric Payments solution.

The Experience

Once selected, Corcentric's team reviewed the company's master vendor file and identified suppliers that were both a good fit for conversion to electronic payment and would deliver the greatest economic impact upon the transition. After suppliers were selected for conversion, Corcentric's supplier marketing team kick-started a six-week supplier outreach effort that entailed email, inbound and outbound telesales, and a secure website featuring supplier education and enablement details. Meanwhile, Corcentric's integration team was focused on enabling the company's suppliers for electronic payments and making sure that



the company's SAP system was properly configured to create payment files that were supported by the company's bank.

As a result of these efforts, 75% of the company's supplier check payments were converted to electronic payments and 50% of the company's targeted suppliers were converted to electronic payments within 90 days. In addition, Corcentric was able to help the manufacturer:

- Realize a 398% return on investment by converting their vendors to electronic payments
- Reduce the cost to initiate supplier payments by 83%
- Recoup the entire cost of the electronic payment conversion process in less than one month

The Future

The company is now paying its suppliers tens of millions of dollars every month, and these suppliers, as well as the company's bank, appreciate the secure, fast, and accurate nature of electronic payments. Corcentric will continue to work with the manufacturer as they move closer to a goal of paying 100% of their suppliers electronically.

"This project wouldn't have happened without the technology, supplier outreach, and market expertise Corcentric delivered," says a Supervisor of Cash Management with the manufacturer. "While they focused on communicating with our suppliers and enabling them for electronic payment, we were able to stay focused on doing our jobs without disruption. With the quick implementation, big ROI, and a fast payback, this project really delivered."

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With its initial nightmare of a virtual card program in the past and a new seamless payments program in place, the company can now enjoy the benefits of its paperless processes and focus on producing safe and effective products.

Get *peace of mind.*

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ABOUT CORCENTRIC

Corcentric is a leading global provider of best-in-class procurement and finance solutions. We offer a unique combination of technology and payment solutions complemented by robust advisory and managed services. Corcentric reduces stress and increases savings for procurement and finance business leaders by forming a strategic partnership to diagnose pain points and deliver tailor-made solutions for their unique challenges. For more than two decades, we've been a trusted partner who delivers proven results. To learn more, please visit www.corcentric.com.