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AVANTGARD

Outsourced solution for consolidated payables

WHITE PAPER

CONSOLIDATED
PAYABLES SOLUTIONS:
WHAT DO CORPORATIONS
WANT FROM THEIR
BANKING PARTNERS?

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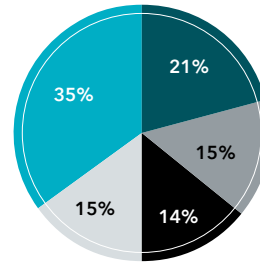
Consolidated payables solutions: what do corporations want from their banking partners?

A recent SunGard study reveals that almost half of corporate customers surveyed would consider leaving their existing bank if they believed another bank provided better payments services. To help banks attain and retain corporate customers, this paper takes a deeper look at the key features and services corporations want in their payments processing platform.

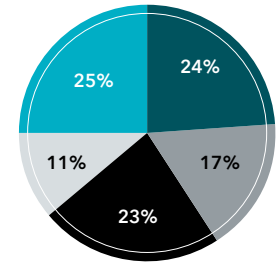
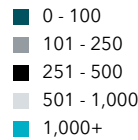
The market for consolidated payables solutions is rapidly evolving as corporations seek to leverage new technologies and payment options to reduce costs and even turn Accounts Payable departments into revenue centers. In a recent SunGard study, almost half the 171 corporate respondents said they would consider leaving their existing bank if they believed another bank offered better payments offerings. The apparent willingness of corporations to consider alternatives means banks can reduce attrition risk and potentially gain new customers by expanding their payment offerings to include the features and services corporations want.

Corporations endure a monthly payment challenge

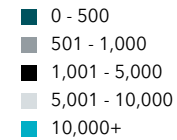
A typical corporation sends thousands of payments to hundreds of vendors each month, with 64% of the study participants paying more than 250 vendors per month and 35% paying 1,000 or more. In addition, 59% of respondents initiate 1,000 or more transactions per month, with 35% initiating 5,000 or more. These numbers show the quantity and complexity of the payment effort faced by corporations each and every month.



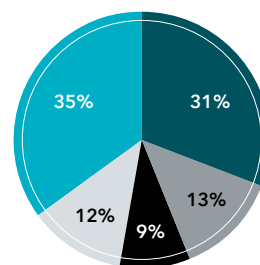
Vendors Paid per Month



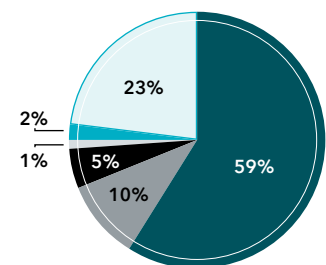
Payments per Month



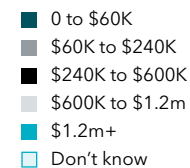
Processing monthly payments has a large impact on the Accounts Payable team, with almost half (47%) of companies spending 40 or more hours per month and a third (35%) spending 80 hours or more just processing payments. For many corporations, simply processing and paying bills is a significant cost.



Hours per Month Processing Payments

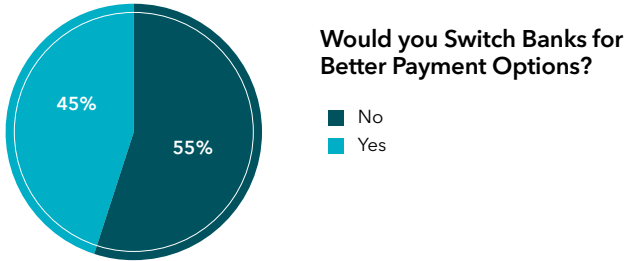


Annual Cost of Monthly Check Processing



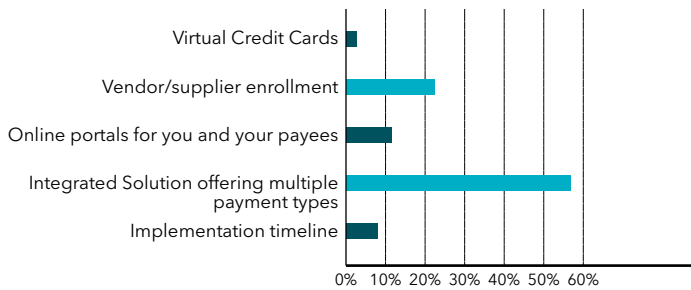
What do corporations want?

Faced with such a daunting effort, it is no wonder that almost half (45%) the corporations in the study state that they would consider switching banks if they believed another bank offered a better payments platform and services.



When selecting a payments execution vendor, the majority of corporations (57%) say that an Integrated Payments Solution is most important, with Vendor/Supplier Enrollment services scoring second highest.

Top Requirements



Typical requirements for an integrated payments platform

Solution Highlights:	
Rebates	Enable companies to earn monthly rebates.
Bank independent	Allow companies to leverage their existing bank relationships.
Secure card number generation and electronic delivery	Generate one-time/invoice specific use and unique credit card numbers that are automatically assigned and delivered to your vendors electronically.
Delivery of remittance details	Electronically transmit remittance advices to accompany all card payments.
Simplified reconciliation	Invoice details are available for each card payment to simplify the reconciliation process.
Fast implementation	Works with existing accounting systems and current payment output files.
Rapid vendor enrollment	Automated, online enrollment process, making it fast and easy for vendors to enroll and immediately receive electronic payments and remittance information.
Transaction archive	Provide a secure, online archive of payment transactions, allowing both you and your vendors to access payment history quickly to resolve disputes.

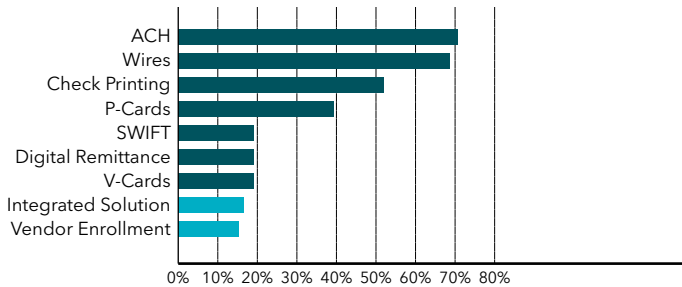
While there is no doubt that corporate customers are looking for an integrated payments solution, some banks find it difficult to combine existing offerings into a single integrated platform. For this reason, many banks are opting to white label an existing offering that supports all payment formats and has the ability to easily migrate vendors from paper check to ACH or virtual card. To facilitate this move, a vendor enrollment program includes active outreach to vendors in the campaign to move them away from paper checks.

What does my bank offer?

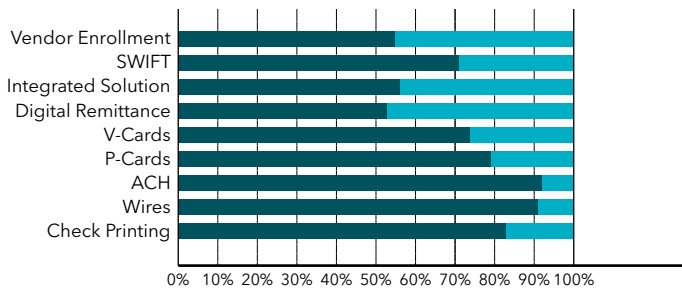
Many corporations are simply not aware of the payment solutions and services offered by their existing bank. When asked about their current bank, 48% of those surveyed either did not know what their bank offered or simply skipped the question. Of those that did respond, only 17% thought their bank offered an Integrated Payables Solution and just 15% believed their bank provided vendor enrollment services.

The biggest gaps between what corporations want and what their current bank offers are around Vendor Enrollment Services, Integrated Solutions, and Digital Remittance. Expanding an existing portfolio to include these offerings can be an important way for banks to leverage payments services to attain and retain corporate customers.

Services Offered by Current Bank

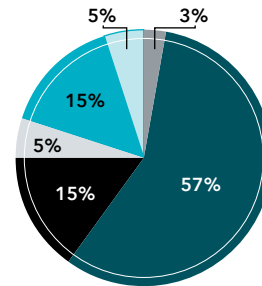


Existing Services vs. Desired Service



The bank as a trusted partner

According to the study, most corporations continue to rely on their trusted banking partners for information about available payment services. Given these existing relationships, banks are in a strong position to offer the integrated payables solutions and services corporations want and then educate their customers about their availability.



Guidance about Payment Services

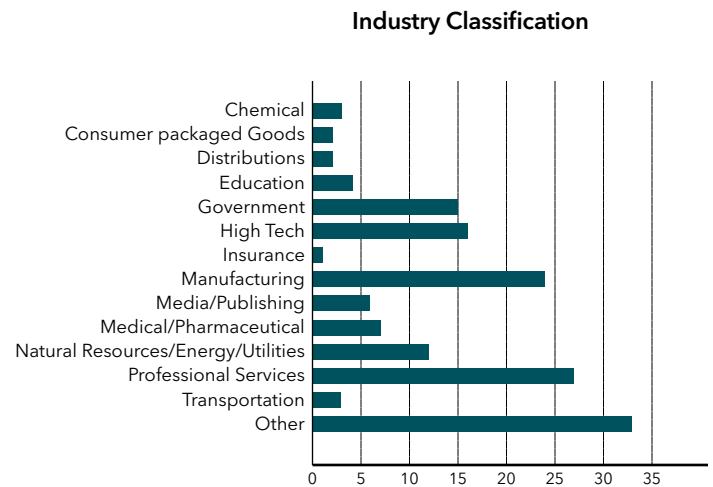
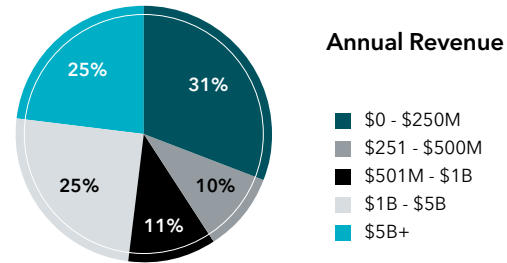
- Consultants
- Current Financial institutions
- Industry trade groups
- Internet research
- Referrals - from colleagues
- Third Party Companies

Conclusion

Due to the significant scale and complexity of monthly payment processing, almost half the corporations who responded to the SunGard study state they would be willing to leave their existing bank if another bank provided better payment solutions and services. In particular, corporations believe their existing banks are not providing the Integrated Payments Platforms, Vendor Enrollment Services, and Digital Remittance capabilities they need. To gain new customers and avoid losing existing ones, banks can easily expand their payment offerings by white labeling an existing offering that supports all payments formats and has the ability to easily migrate vendors from check to ACH or virtual card. Banks would then be in a strong position to leverage their existing relationships to educate and provide corporate customers with their improved payments offerings.

Appendix

SunGard AvantGard conducted an online survey of hundreds of corporations in late 2011 and early 2012. With 171 respondents, the survey captured perspectives of a wide cross-section of corporations from multiple industries ranging in size from under \$250 million to over \$5 billion in annual revenue.



About SunGard's AvantGard

SunGard's AvantGard is a leading liquidity management solution for corporations, financial institutions and the public sector. AvantGard provides chief financial officers and treasurers with realtime visibility into cash flows and increased operational controls around treasury, receivables and payments management. The solution aggregates data for a single view of cash, drives productivity through automation, and fosters collaboration between trading partners.



For more information, please visit:
www.sungard.com/avantgard
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About SunGard

SunGard is one of the world's leading software and technology services companies. SunGard has more than 17,000 employees and serves approximately 25,000 customers in more than 70 countries. SunGard provides software and processing solutions for financial services, education and the public sector. SunGard also provides disaster recovery services, managed IT services, information availability consulting services and business continuity management software. With annual revenue of about \$4.5 billion, SunGard is the largest privately held software and services company and was ranked 434 on the Fortune 500 in 2011. Look for us wherever the mission is critical.