



# WHY VIRTUAL CARDS AND STRAIGHT-THROUGH PROCESSING SHOULD BE YOUR SECRET WEAPONS TO OPTIMIZE BUSINESS PAYMENTS

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**The shift to digitization has affected every part of the financial services industry, especially the different ways that businesses want to pay for items. Organizations are now looking to remove manual, paper laden processes in favor of faster, digital solutions.**

In fact, according to the FIS report “Innovation in Real Time,” a collective survey of 1,500 public and private sector organizations across Europe and the United States, 70% of organizations plan to increase spending on their payments investments. In addition, one of the key findings of the report is that the “speed of payments is now companies’ leading challenge” and that “77% would outsource at least part of the work of developing real-time payments capabilities.” These findings speak to how much COVID-19 has forced organizations to adopt digital solutions, including virtual cards and straight-through processing, at the earliest opportunity or risk falling behind.

## How is this technology affecting business payments?

Initially, payers used personal or corporate purchasing cards to pay for the purchases that they needed to make for their business. This, however, was restricted to payments made for goods and services where remittance was required at the point of sale or when the organization did not require a purchase order. Using a corporate card meant that their days payable outstanding (DPO) would be extended and provided revenue share opportunity while payment to suppliers was still received on time. Payers, however, have always looked for ways to automate and remove friction from their entire accounts payable process. Virtual cards have seen a steady adoption rate and are providing payers options to utilize card payments for invoiced goods. Virtual cards are paramount for efficiency of AP payment delivery and straight-through processing can provide additional value by removing friction on the supplier side. Virtual cards are filling a critical need at a critical time, particularly among smaller businesses, for a simple but compelling reason.

Unlike traditional payment methods, they don’t require that a payer report into a physical office to issue payments, or require that suppliers go to a physical location to retrieve and process incoming payments.

## Improving working capital


An increasing number of payers are using this technology to improve working capital without negatively impacting their relationships. With virtual cards, payers can leverage their statement grace period and improve DPO. At the same time, suppliers receive payment as soon as the invoice is approved for payment. This may reduce days sales outstanding (DSO) by 20 days or more, and eliminate mail delivery delays.


## Let’s power next


FIS Business Payments support what’s now and next in business payments by combining FIS Integrated Payables and FIS Integrated Receivables / GETPAID. This secure and efficient platform improves working capital, reduces operational expenses, mitigates risk and has the ability to convert outgoing payments from paper to electronic while automatically posting incoming payments against open invoices. This technology allows for digitalization efforts to be fully supported.


FIS Integrated Payables will also support international payments, AP payments to individuals, and any remaining paper-based-payments while providing robust, secure, real-time reporting for companies and their suppliers.

With supplier onboarding, verification and maintenance, conversion efforts can occur quickly while risk is mitigated. And with full credit-to-cash functionality driven by artificial intelligence and automation, FIS Integrated Receivables / GETPAID helps AR departments work any time and from anywhere, while knowing they are contributing optimal cash flow to their company. Corporations can automate payables and receivables, realizing working capital improvements on both sides of their cash flow ecosystem.

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