get payment to suppliers electronically through a credit card or ACH network. What's hard is vendor enablement—knowing which suppliers accept what payment type, and ...

Sue Ellen Hodnot • Sep. 18, 2017

The hardest problem in B2B payments isn't moving the money. It's simple enough to get payment to suppliers electronically through a credit card or ACH network. What's hard is vendor enablement—knowing which suppliers accept what payment type, and keeping track of it all.

With thousands of suppliers, this daunting task requires accounts payable to assume the liability of sensitive supplier banking information. A lot of companies don't go electronic because they think, "Geez, I'd have to reach out to all of my suppliers to collect payment information. It's a full-time job just to do that."

This is a big reason why U.S. businesses still make 51 percent of their supplier

other suppliers who would happily accept an electronic payment or card. The customer's AP department then shoulders the burden of managing this supplier data.

A few times a year, a payments provider might reach out to update this information, but without an ongoing supplier enablement program, it's a futile effort to stay current.

In Nvoicepay's payment network, an average of 11 percent of supplier payment information changes month over month. Suppliers don't always call when their information changes: one of the primary reason payments fail.

Since each of these products are sold separately within the bank, one arm of the bank might be enabling a supplier just for ACH, while another is enabling that same supplier just for card payments. The bank doesn't own these networks, so there is no comprehensive view of every supplier's payment information. There's no easy way for the customer to prioritize supplier payment types.

Few companies make it beyond making 20 percent ePayments because it would require an enormous enablement effort.

A scalable effort

Supplier enablement is a huge part of helping any company make 100 percent of their payments electronically. A cloud network of payment-enabled suppliers eliminates massive amounts of repetitive, manual effort.

It allows shared visibility of card-enabled suppliers on the network. This cloud-enabled supplier data allows thousands of customers using the same information to pay that supplier.

Solutions like Nvoicepay enroll 100 percent of new customers in the network.

payments to fraudulently-created suppliers at bay.

Continual enablement

Virtual card payments take priority in the enablement process. For suppliers unwilling to accept a card payment for an invoice, they default to ACH in the Nvoicepay network. ACH is still more cost effective, secure and efficient than writing a check.

For customers making a high percentage of check payments, outreach continues to their suppliers to encourage adoption of electronic payment options. This continual vendor enablement gathers and updates payment information in real time.

So if a supplier in the Nvoicepay network receiving ACH decides to accept credit cards tomorrow, Nvoicepay's technology will default to the preferred method of payment for the customer (virtual card) and all customers who pay that supplier.

Since paying by check costs companies on average six times the amount an ACH does, customers can immediately cut costs just by paying more suppliers electronically. Nvoicepay estimates nearly 75 percent of suppliers will accept some form of ePayment (virtual card or ACH).

Continual supplier enablement is the secret to a successful electronic payments program. Suppliers aren't going to call about changing bank accounts or payment types. And there's no liability of storing somebody else's banking information with a payments solution provider managing the data.

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