

sage Intacct

Monetize Your AP Stream Fund Your Cloud ERP System

With Sage Intacct and American Express® Corporate Cards



Monetize Your AP Stream, Fund Your ERP System

Executive Overview

Sage Intacct's cloud technology provides robust financial management capabilities at lower cost points than on premise solutions. However, payments still sat outside...

...Until now.

American Express and Sage Intacct have joined forces to enable vendor payments inside Sage Intacct's cloud-based financial management software.

This service will enable businesses to execute and manage their vendor payments online. Through integrated payments inside Sage Intacct, businesses can streamline payable processes and transform them into opportunities that help reduce costs while driving control and efficiency.

Now you can start:

- Monetizing your AP stream at far greater capacity than is manually realistic
- Reducing the cost of processing a check by up to 90%¹

¹Sources:

<https://us.intacct.com/press/intacct-honors-halstatt-ifac-integrations-and-sparta-systems-2016-customer-success-awards>

https://online.intacct.com/rs/473-QSL-641/images/Customer_Success_Halstatt_Interview.mp4

Sample Scenarios

Small company with:

- \$3M AP Stream
- 80% payments via check

Potential annual benefits: \$25,539*

Medium-sized company that is already ultra check-efficient with:

- \$30M AP Stream
- 80% payments via check
- Check processing cost: \$5.00

Potential annual benefits: \$157,719**

*See details on page 10

**See details on page 13

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Introduction

Historically, payment processes have been incredibly manual and slow resulting in:

- Limited real-time visibility and analysis of your AP stream
- Delayed payments
 - 40% of B2B domestic payments are considered late*
- High processing costs
 - ScotiaBank's check cost issuance model shows costs can average between \$15 and \$25 per check – and can be as high as \$50 per check in some cases**

Attempts at streamlining payable processes to AP scale have, in the past, required sophisticated automation from within your financial system. Unfortunately, the IT resources to do this have been prohibitively expensive and overly complex.



You can pay with your American Express Corporate Card without leaving Sage Intacct.

*Source: <https://atradius.us/reports/payment-practices-barometer--the-americas-2016.html>

**Source: <http://berkeleypayment.com/blog/how-much-does-a-cheque-cost>

The Pen May Be Mightier Than the Sword but the Card is Mightier Than the Pen

The world of B2B payments is changing. Fewer B2B transactions are made by check today: 51% vs 81% in 2004¹. More businesses are paying suppliers by ACH. Payments increased by 6% from 2014 to 2015². Additionally, a majority of suppliers (52%) are willing to accept payment electronically^{3,4}.

Vendor payments inside Sage Intacct can streamline payable processes and transform them into opportunities to help reduce costs while driving control and efficiency. Suddenly, you are reducing the cost of cutting a check by up to 90%^{5,6} and concurrently funding the modern cloud ERP system that you need to run your business more efficiently.

Now, the Card is mightier than the pen.



¹Source: <http://www.socalafp.org/documents/news/2016EPaymentsReportFinal.pdf>

²Source: <http://www.prweb.com/releases/2016/04/prweb13341883.htm>

³Source: <http://www.prweb.com/releases/2016/04/prweb13341883.htm>

⁴Source: <https://www.vendorcentric.com/single-post/2016/04/12/Electronic-Payments-%E2%80%93-a-More-Efficient-Way-to-Pay-Your-Vendors>

⁵Source: <https://us.intacct.com/press/intacct-honors-halstatt-ifac-integrated-and-sparta-systems-2016-customer-success-awards>

⁶Source: https://online.intacct.com/rs/473-OSL-641/images/Customer_Success_Halstatt_Interview.mp4

Heads You Win, Tails You Win

Heads You Win: Cashback

American Express and Sage Intacct are continuing to deliver integrated solutions to help provide a smart way to make payments for your business.

When you transition a percentage of check payments to paying with American Express® Corporate Card Payment Services within Sage Intacct, you not only get a seamless payment experience using cloud technology, you also may be eligible for either Cashback or Membership Rewards.

Tails You Win: Cost Reduction

With Sage Intacct and American Express® Vendor Payment Services inside Intacct's cloud-based financial management software, you win by:

- Reducing the costs of cutting a check by up to 90%*
- Enabling electronic payments and making it easy for your vendors to accept payment with the American Express Corporate Card
- Streamlining payable processes reducing the cost of manual processes

*Source: [Customer Testimonial, Halstatt Real Estate Partners, page 14](#)



Start Monetizing Your AP Stream in Less Than an Hour

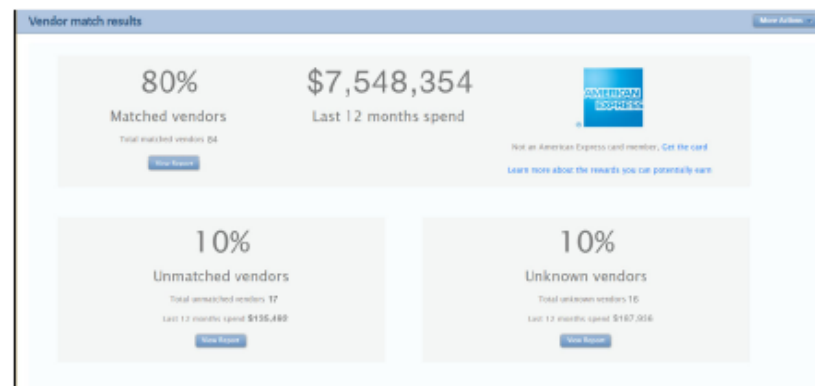
Get Started Today

As soon as the service is switched on, the total number of matched vendors is automatically calculated, along with the last 12 months of your spend.

Similar calculations are presented for unmatched and unknown vendors.

An example of how the system presents this is shown to the right. Here, you instantly see the potential outcome of monetizing your AP stream. 80% or 84 of your vendors accept American Express Card payments. Over the last 12 months, you have spent \$7,548,354.00 with them.

The following few pages will show some examples of the value that can be delivered based upon billing and payment terms and industry averages.



Labor is the Largest Cost Incurred by In-house Payment Operations

Prior to the check run:

- Clerk requests approvals of payments
- Clerk chases approvers to review payments
- Approvers approve requests, discuss discrepancies, and request more documentation
- Clerk searches and retrieves files and documentation for approvers
- Clerk adjusts payments based on approver direction
- Accounting manager checks the approvals before final approval to print checks

During the check run:

- Clerk sets up accounting system to run checks
- Clerk retrieves check stock, prepares the printer, performs a test payment run, and corrects misprints
- Clerk performs the check run
- Clerk gets signatures from controller
- Controller reviews the checks for accuracy and questions unusual amounts
- Clerk provides documentation to justify questionable amounts
- Clerk changes payment amounts in accounting system and re-runs checks as needed
- Clerk stuffs, stamps and mails payments
- Clerk creates a positive pay check issue file to send to the bank to prevent check fraud

Labor is the Largest Cost Incurred by In-house Payment Operations

After the check run:

- Clerk addresses payment questions from vendors and/or suppliers
- Clerk pulls transaction history from the business bank records
- Accounting manager or clerk retrieves check images from a bank in order to reconcile issues
- Clerk responds to vendors/suppliers, reconciles the accounting system for any changes
- Clerk manages returned checks by updating the accounting systems, correcting mistakes, and re-issuing checks
- Clerk responds to stop payment requests and updates the accounting system



Show Me the Money #1

A Small Business That is Check Heavy

AP Stream = \$3M

AP Stream Mix

- Check percentage of AP = 80%
- ACH percentage of AP = 10%
- Card percentage of AP = 10%

AP Stream Profile

- Average cost to process a check = \$25
- Average check transaction = \$4,500

Potential Conversion of Check to Card: 60%

Monetize Your AP Stream – Fund Your Cloud ERP

Benefits Summary

- Cost reduction savings: \$12,489
- Cash back and rewards value: \$14,400

Intacct cost: \$1,350

Potential benefits: \$25,539

Assumptions based on:

- 1% Reward (industry standard) (individual rewards and eligibility may vary and are subject to the terms and conditions of your Card agreement)
- New average cost to process a check: \$3.96
- Calculations performed according to estimate calculator (see Appendix: ROI Calculations)

Show Me the Money #2

A Small Business That is AP Stream Balanced

AP Stream = \$3M

AP Stream Mix

- Check percentage of AP = 34%
- ACH percentage of AP = 33%
- Card percentage of AP = 33%

AP Stream Profile

- Average cost to process a check = \$25
- Average check transaction = \$4,500

- Potential Conversion of Check to Card: 60%

Monetize Your AP Stream – Fund Your Cloud ERP

Benefits Summary

- Cost reduction savings: \$5,308
- Cash back and rewards value: \$6,120

Intacct cost: \$1,235

Potential benefits: \$10,193

Assumptions based on:

- 1% Reward (industry standard) (individual rewards and eligibility may vary and are subject to the terms and conditions of your Card agreement)
- New average cost to process a check: \$3.96
- Calculations performed according to estimate calculator (see Appendix: ROI Calculations)

Show Me the Money #3

A Medium-Sized Business That is AP Stream Balanced

AP Stream = \$30M

AP Stream Mix

- Check percentage of AP = 34%
- ACH percentage of AP = 33%
- Card percentage of AP = 33%

AP Stream Profile

- Average cost to process a check = \$25
- Average check transaction = \$4,500

- Potential Conversion of Check to Card: 60%

Monetize Your AP Stream – Fund Your Cloud ERP

Benefits Summary

- Cost reduction savings: \$53,076
- Cash back and rewards value: \$61,200

Intacct cost: \$3,350

Potential benefits: \$110,926

Assumptions based on:

- 1% Reward (industry standard) (individual rewards and eligibility may vary and are subject to the terms and conditions of your Card agreement)
- New average cost to process a check: \$3.96
- Calculations performed according to estimate calculator (see Appendix: ROI Calculations)

Show Me the Money #4

An Ultra-Check-Efficient Medium-Sized Business

AP Stream = \$30M

AP Stream Mix

- Check percentage of AP = 80%
- ACH percentage of AP = 10%
- Card percentage of AP = 10%

AP Stream Profile

- Average cost to process a check = \$5
- Average check transaction = \$4,500

- Potential Conversion of Check to Card: 60%

Monetize Your AP Stream – Fund Your Cloud ERP

Benefits Summary

- Cost reduction savings: \$18,219
- Cash back and rewards value: \$144,000

Intacct cost: \$4,500

Potential benefits: \$157,719

Assumptions based on:

- 1% Reward (industry standard) (individual rewards and eligibility may vary and are subject to the terms and conditions of your Card agreement)
- New average cost to process a check: \$3.96
- Calculations performed according to estimate calculator (see Appendix: ROI Calculations)

Customer Testimonial: Halstatt Real Estate Partners

“At Halstatt, we have been able to reduce the number of steps to cut a check from 20 to 5 and reduce the cost of cutting a check from \$36 to \$3.96.

It took under an hour to install the American Express Card option to start vendor payments in Sage Intacct.”



Jason Gabauer, Controller
Halstatt Real Estate Partners

Appendix: ROI Calculations

Variable/Calculation	Show Me the Money #1 Small Business Check Heavy	Show Me the Money #2 Small Business AP Stream Balanced	Show Me the Money #3 Medium-Sized Business AP Stream Balanced	Show Me the Money #4 Medium-Sized Business Ultra-Check-Efficient
Cost of Check Processing (A)	\$13,333	\$5,667	\$56,667	\$26,667
Percentage of Vendors Enrolled to Card (B)	60%	60%	60%	60%
Check Elimination Savings (A x B)	\$8,000	\$3,400	\$34,000	\$26,667
Old Cost of Processing this Number of Checks (C)	\$5,333	\$2,267	\$22,667	\$10,667
New Cost of Check Processing (D)	\$845	\$359	\$3,590	\$8,448
Check Processing Savings (C - D)	\$4,489	\$1,908	\$19,076	\$2,219
Cost Reduction Savings	\$12,489	\$5,308	\$53,076	\$18,219
Card Transaction Volume Value (E)	\$1,440,000	\$612,000	\$6,120,000	\$14,400,000
Reward Percentage (F)	1.00%	1.00%	1.00%	1.00%
Reward Value (E x F)	\$14,400	\$6,120	\$61,200	\$144,000
Annual Fee (G)	\$1,000	\$1,000	\$1,000	\$1,000
Check Total Cost (H)	\$320	\$136	\$1,360	\$3,200
ACH Total Cost (I)	\$30	\$99	\$990	\$300
Total Intacct Fees & Costs (G + H + I)	\$1,350	-\$1,235	-\$3,350	-\$4,500
Potential benefits	\$25,539	\$10,193	\$110,926	\$157,719

Assumptions based on:

1% Reward (industry standard) (individual rewards and eligibility may vary and are subject to the terms and conditions of your Card agreement)