



How a commercial card program can improve your finance team's efficiency



We all have a lot of work to do and not enough time to do it. In today's workplace, streamlining your finance team's workload is crucial to increasing productivity and reaching your organizational goals. Implementing a commercial card program is a cost-effective way to help manage payments, reduce costs and increase your team's efficiency. Here's how.

Simplify expense reporting and account reconciliation

A commercial card program can help streamline expense reporting and account reconciliation and in doing so, reduce manual processes and processing costs. Integrating a commercial card with an expense management platform allows employees to create and submit expense reports quickly and accurately. Since transactions automatically populate the expense report, employees only need to add any required details and attach receipts to process the report.

With all of the transaction data in one location, your finance team can easily reconcile expense reports without having to manually match transactions. This significantly reduces time spent on reviewing these reports. It also makes it easier to recognize patterns of fraudulent behavior and non-adherence to travel and expense policies, which are otherwise difficult to identify quickly.

Pay suppliers faster and streamline operations.

Paying vendors or ordering supplies using traditional payment methods — paper check, ACH, or wire transfer — requires a significant amount of time, money and labor. Payments take longer to reach their destination, your team spends hours manually reviewing transactions, and fraud risks increase due to lack of oversight.

Commercial cards, especially when linked to a virtual card program, can significantly reduce the time and cost associated with traditional labor-intensive, paper-based purchasing systems. For example, according to the 2022 RPMG Virtual Card Benchmark Survey, the average, end-to-end transaction cost for a virtual card is \$13 compared to \$38 for checks.¹ That's a savings of \$25 per transaction. Multiply that by thousands of transactions per year and the savings are considerable.

Both commercial and virtual cards can help optimize your operations. Rather than sifting through piles of paper checks and invoices, your team can readily access reporting tools to help track purchases, automate card management, and produce useful data for analyzing transactions. As a result, your team will spend less time processing and reconciling paper documents, and more time on value-added work that benefits your organization.

More than 85%

of virtual card use takes place in organizations already using purchasing cards, a type of commercial card. Currently, 38% of purchasing card users have adopted virtual cards, and within three years that figure is expected to rise to 44%.¹

Use card data as part of your financial analysis

Arguably, one of the biggest benefits of implementing a card program is the wealth of reliable data and the robust reporting tools that can help drive better business decisions. Paying for goods, services, and travel with a card — rather than cash, check, wire transfer or ACH — gives you access to invaluable, real-time spending data. By analyzing spending data, your team can readily identify budget concerns (e.g., if budgets have been exceeded) or expense policy violations. Also, analyzing spend data by category can give your team a better understanding of your organization's spend by merchant. Your team can use this information to innovate procurement strategies that save money and lead to better terms with merchants, such as supplier discounts and financial rebates.

Doing more with less

Finance teams, like many other teams within an organization, are forced to do more with less. The team must guide organizational growth while ensuring a focus on the bottom line. But today's rapidly changing and highly competitive business climate demands detailed data and insights to help inform decision making.

Implementing a commercial card program can improve the productivity of your finance team. It is a cost-effective and efficient way to simplify your payables processes, manage payments, deliver critical expense control, and optimize processes. It frees up the team to focus on value added activities that drive organizational growth. A well-executed commercial card program helps your finance team adapt to rapid business changes and positions your team to meet tomorrow's business challenges successfully.

¹RPMG Research Corporation, 2022 Virtual Card Benchmark Survey Results, 2022.

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