

case study



EASE OF USE ENABLES LUXURY RESORT DEVELOPER TO SELF-MANAGE CSI PAYSYSTEMS – AND DRIVE OVER \$1MM IN ANNUAL SAVINGS

BACKGROUND

Making payments via credit card was not a new concept for this developer. The company had unsuccessfully used a bank program in years past, but had switched back to check payments more recently. After researching ways to reduce costs and regain the convenience of credit cards, the company adopted CSI Payscale systems.

CSI customers note that the differences between the prior bank offering and CSI Payscale systems are many. "With the bank, it was clear that making the payment system easy for us – or troubleshooting when it wasn't - was not their core concern. With CSI, I feel like the entire program is designed for our convenience. It is so easy: the interface is very user friendly, payments are quick, and I can make any card adjustments in real-time."

With the ease of use, the company made the decision to completely manage its own account.

"Our vendors like the credit card option because they get their payments almost immediately. Any credit card fees they may incur are offset by the cash flow benefits of getting paid two months earlier."

SOLUTION RESULTS

Although CSI offers a full service model that can include vendor enrollment, this company opts to oversee the vendor enrollment process and ongoing account maintenance. One full time employee is dedicated to managing the program.

The customer attributes this focus as a big part of the program's success and the resulting vendor enrollment of nearly 60%. "Our accounting clerks have good working relationships with our vendors and can explain the program to them."

Since most vendors are typically paid with net 60 day terms, the program is not a difficult sell. "Our vendors like the credit card option because they get their payments almost immediately. Any credit card fees they may incur are offset by the cash flow benefits of getting paid two months earlier."

The dedicated employee is tasked with continually increasing card spend and the resulting rebate, with duties that include:

- Initial training and onboarding of vendors
- Processing of manual payments (exceptions such as phone orders)
- Weekly analysis of check runs to identify opportunities to convert additional vendors
- Monthly analysis of outstanding card reports to ensure all payments are processed
- Ongoing enrollment of new vendors as needed

Rebate revenue generated in 2014 through the virtual card program reached \$802,000, with a total program savings of over \$1,142,000.

"Managing CSI Payscale systems is time well spent - the rebate revenue more than covers the cost of my staff. It is fun to deliver new revenue to our executive team every month. For the first time ever, we're actually turning AP into a profit center!"

2014 FINANCIAL RESULTS	
Virtual card spend volume captured	\$62,724,264
Rebate revenue generated	\$802,358
Savings from eliminated checks*	\$339,920
TOTAL ANNUAL SAVINGS	\$1,142,000

*\$3,992 transactions @ \$10 per check. Based on \$4-\$20 estimate in WSJ, March 10, 2014, US Companies Cling to Writing Paper Checks

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A total program savings of over \$1,142,000