

CASE STUDY



Bank Takes Payment Processing Times From Weeks to Days with Virtual Credit Cards

BACKGROUND

In October of 2006, Seaside National Bank & Trust made history when it opened its doors as the largest de novo, federally-chartered bank in the United States. Since then, they have provided their clients with private and commercial banking products and services as well as wealth management and insurance solutions that rival that of large, regional banks.

As a testament to their dedicated approach to building client relationships, they also managed to maintain the same close-knit accounting department throughout those years of growth. Within their small team of four, the facilities director was handling most of the accounts payable (AP) and vendor management, all of which was 100 percent manual and dominated by paper check payments.

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- Nicole Hulbert, Senior Accountant with Seaside

With 14 offices across the state, the process for paper check approvals was incredibly labor intensive. First, invoices needed to be sent from regional offices to the branch office for approval, then the check was printed, circulated for signatures, and finally put in the mail for delivery. Vendors were waiting two to three weeks to get paid.

“As a financial institution it’s really hard to explain how you can have money sitting right in front of you but you can’t pay your vendor right away.” said Nicole Hulbert, Senior Accountant with Seaside.

In November 2015, the facilities director sadly passed away and suddenly the accounting department found themselves looking more closely at their AP processes, fixed assets, and prepaid systems. They knew they needed to make adjustments on how to manage things moving forward.

They looked at a couple of different options and decided they wanted to go paperless; not only in AP with invoices and approvals, but also with payments.

In January 2016, Seaside found the solution they were looking for in the nation’s leading financial services accounts payable provider, BankTEL Systems. Through BankTEL’s ASCEND solution, Seaside was able to easily automate their workflow including integration of electronic invoicing and approvals. Within the first year they added ACH, and while it was much quicker than paper checks, it was still taking 3-5 days to process and pay vendors.

BankTEL had recently entered into a partnership with Corporate Spending Innovations (CSI) bringing virtual card payments to their ASCEND platform. Seaside was intrigued with this potential integration; their only concern was how their vendors and clients would be communicated with. Their highest priority was ensuring that their relationships were handled appropriately and that their reputation of quality client service was not compromised.

SOLUTION

In October 2017, Seaside made the leap. The BankTEL ASCEND Accounts Payable module is integrated with CSI’s platform, so the payment process was simple. Seaside processes payments as normal within BankTEL ASCEND, and the file is automatically sent to CSI for card distribution. Now Seaside is delivering payments in one business day with virtual credit cards.

“It’s not a time-intensive process. It’s not a new module integration. It’s seamless and painless.”

- Nicole Hulbert, Senior Accountant with Seaside

Going paperless with invoices, approvals and payments

Delivering payments in one business day with virtual credit cards

Maintaining quality client service

CASE STUDY



The only thing that Seaside needed to do in order to prepare for integration was review their vendor list to ensure only appropriate contacts were included. BankTEL ASCEND allows clients to create reports any way they want, which made it easy for Seaside to go through their vendor list and exclude groupings of vendors that they knew would not be candidates.

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"It was awesome, and everything was exactly as promised. The website is extremely intuitive, and everything is exactly where I expected it to be. You're never hunting for things."

- Nicole Hulbert, Senior Accountant with Seaside

Implementation included a kick off call between Seaside, BankTEL, and CSI and the entire training process took only 15 minutes. From the initial kick off call to when Seaside was up and running was only a couple of hours.

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"We wanted to get ahead of it so that there were no surprises when CSI called our vendors. And it was a simple question. Do you want to get paid faster? Most vendors do."

- Nicole Hulbert, Senior Accountant with Seaside

Seaside played a large role in their own vendor enrollment process beginning with an internal communications campaign. An initial email notification went out from Seaside explaining their intention of updating records and providing electronic payments.

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- Nicole Hulbert, Senior Accountant with Seaside

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RESULTS

Vendor Enrollment

As of January 2018, Seaside has a 10% enrollment rate, which they consider to be very good considering it was introduced at the end of the 4th quarter when many companies are typically focused on an end-of-year push. They also have a vendor enrollment initiative scheduled for March 2018 to contact vendors that have expressed interest or whom they know would benefit from CSI's virtual credit card payments.

Increased Revenue

CSI offers a cash rebate on all virtual card spend, allowing Seaside to increase revenue just by paying their vendor invoices.

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Time and Money Saved

Not only did Seaside increase revenue by earning a cash rebate on payments, but they also eliminated costs associated with manual labor and time, as well as materials needed for printing paper checks.

"My advice to other financial institutions considering this program is to just do it. If you're already using BankTEL ASCEND, it doesn't make sense not to."

Intuitive platform – seamless and painless

Training took only 15 minutes

Increasing revenue by earning cash rebate