Getting Started With Payment Optimization

Regardless of size, businesses can achieve several benefits through payment optimization. But it isn’t a checklist, one-size-fits-all solution. Payment optimization requires a comprehensive strategy, including the implementation of best practices.

STRATEGIES AND BENEFITS

Aligning payments and working capital with your growth strategy

CUT COSTS

Converting check payments to more cost effective e-payment solutions, such as ACH, EFT and payment cards, can reduce your payment process costs.

IMPROVE EFFICIENCY

E-payments can also help optimize your invoice workflow through process improvements and technology adoption.

UNLOCK WORKING CAPITAL

By optimizing payment timing and utilizing solutions such as purchasing cards, virtual cards and buyer-initiated payments, you can extend days payable outstanding to unlock working capital.

INCREASE REVENUE SHARE

By optimizing payments, organizations can increase revenue share from vendors through:

1. Contracting and capturing early pay discounts with strategic vendors, and
2. Earning rebates through card payments with high-payment frequency, low-dollar vendors.
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**BEST PRACTICES**

1. **Determine who to pay, how to pay and when to pay on a vendor-by-vendor basis through a structured analytical review of your organization's current state.**

2. **Take a payment product-neutral approach to analysis. This provides a more objective means of determining the best payment type for each vendor.**

3. **Supplement your payment product analysis with conversations about your organization's goals and challenges for cash management, accounts payable and procurement among your key internal and external partners.**

4. **Collaborate with multiple stakeholders to put the strategic, operational risk factors and process considerations into context across all impacted functional areas.**

5. **Execute the plan with roadmaps prioritized by savings optimization opportunities.**

6. **Keep up with best practices and technologies in the payments industry.**

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