Virtual cards transform payments for B2B flight training provider.

Boosting cash conversion, customizing interchange and streamlining payments.

up to 420 bps	15 days	0% extra cost
of value can be realized from virtual card acceptance.*	Payment from client was accelerated from 30 to 15 days.	Payment fees were maintained at the same cost as ACH.

The challenge

A global leader, providing flight training to corporate and commercial aviation, which has successfully operated over 70 years, had always used traditional commercial payment methods like ACH to receive payments from its clients.

One such large corporate client, a technology firm (tech client) with its own aviation department, spent $2 million with the flight training provider annually, using ACH payments with a 30-day net payment term. The existing payment process was administratively tedious and encumbered effective working capital management for the flight training provider. There was a need for a solution that would balance cutting costs while driving efficiency of their cash conversion cycle.

The solution

The solution was a payment method that would drive value for both parties in the transaction i.e. the flight training provider and their tech client – virtual cards.

VISA

Results

Using cards for commercial payments offered the following benefits:

- Payment acceleration: Accepting virtual cards benefited the flight training provider with shorter days sales outstanding.
- Process efficiencies: Cards provided greater security, efficiency and improved working capital management for both parties to the transaction.
- Greater control: Visa's virtual card features over 45 controls that protect merchants by ensuring only approved transactions are processed.
- Inflation mitigation and tax deductions: Inflation mitigation due to a compressed cash conversion cycle along with tax deductions for the expense of credit.

The impact

With the use of virtual cards for payments from the tech client, the flight training provider was able to:

- Accelerate their payment from the tech client to 15 days net from 30 days net.
- Qualify for the Large Ticket Interchange (LTI) of 1.45% and $35 per transaction due to the size of the transactions.
- Keep payment fees the same as ACH.

Are you ready to unlock your commercial growth?

The flight training provider is not alone; independent research shows other corporates have a similar experience and can realize up to 420bps* of value.

Visa B2B Acceptance is driving change in the commercial payments ecosystem with a unique, holistic approach that helps make commercial cards one of the best ways to pay and be paid.

How can Visa help?

Contact the Visa B2B Acceptance team to learn more.

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*Forrester The Total Economic Impact™ Of Commercial Credit Card Acceptance: An Update Cost Savings And Business Benefits Enabled By Commercial Credit Cards. Originally published March 2021, updated June 2024. Commissioned by Visa. Results are over three years for a composite organization based on interviewed customers.