

SUPPLIER CASE STUDY

Helping a B2B manufacturer capture the full value of commercial card acceptance

Visa commercial cards helped the manufacturer drive operational efficiencies that significantly reduced card payment costs

Background

A \$25B B2B manufacturer had previously avoided card acceptance due to the cost of interchange. The supplier's existing DSO was 83 days (for a net 45 term), which was costing them 296bps for check payments and 316bps for ACH payments.

Opportunity

Visa worked with this supplier to demonstrate the value of card acceptance and the benefits an effective policy could deliver for their business. After Visa explained the value of card acceptance, the B2B manufacturer pivoted from discussing initiatives to discourage credit to operating with an effective credit acceptance policy.

Solution

With an effective credit acceptance policy set at net 30 days, the supplier had the potential to realize a 288bps gain. The 288bps would be made up of 85bps of cash acceleration, 112bps of inflation mitigation, 25bps of operational efficiencies and 36bps of tax deductions for the expense of credit and 30bps of Level III Data benefit. As a result, the supplier's net effective cost for card acceptance would be 12bps.

Are you ready to unlock your commercial growth?

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.

Results

12BPS
supplier's net
effective cost for
card acceptance

After implementing this card acceptance program the **supplier's card volume increased by 32.64%**. Expanding their acceptance offerings and increasing Accounts Receivables efficiency also helped the supplier to unlock additional commercial growth opportunities.


32.64%
supplier's card
volume increase

Contact us today to learn how Visa B2B Acceptance can help you capture the value of commercial card payments. B2BAcceptance@visa.com.

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