

SUPPLIER CASE STUDY

Helping a B2B workwear supplier unlock the full value of commercial card acceptance

Visa commercial cards helped the supplier accelerate payments and drive down payment costs

Background

A US-based B2B workwear supplier, which generates ~\$8B in revenue annually, had previously avoided card acceptance because of concerns about the relative cost of accepting card payments. The supplier's DSO was 45 days (for a net 30 term) which was costing the business 212bps for check payments and 192bps for ACH payments.

Opportunity

Visa conducted several meetings with the supplier's Treasurer and discovered that they were looking to launch a new customer portal to facilitate a better invoice settlement process for their buyers. Visa advised that this would be a perfect time to look at the economics of card acceptance. In partnership with the supplier, Visa helped develop an effective credit card acceptance policy that would show value and assist with their portal.

Solution

With the new portal the supplier was able to set card acceptance at net 30 days, which allowed them to accelerate their time to cash receipt by 15 days. By resetting their payment terms and using card acceptance to ensure timely payment, the supplier had the potential to realize a 142bps gain in total from card acceptance. The 142bps would be made up of 35bps of cash acceleration, 35bps of inflation mitigation, 25bps of operational efficiencies and 47bps of tax deductions for the expense of credit. As a result, the supplier's net effective cost for card acceptance was 82bps — far below their current check and ACH costs.

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

82BPS
supplier's net
effective cost for
card acceptance

After implementing this card acceptance strategy, the **B2B workwear supplier's card volume increased by 59.63%**. Expanding their acceptance offerings and increasing Accounts Receivables efficiency also helped empower the supplier to unlock additional commercial growth opportunities.

↑
59.63%
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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