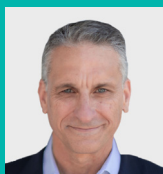


2024 Commercial ePayables Scorecard



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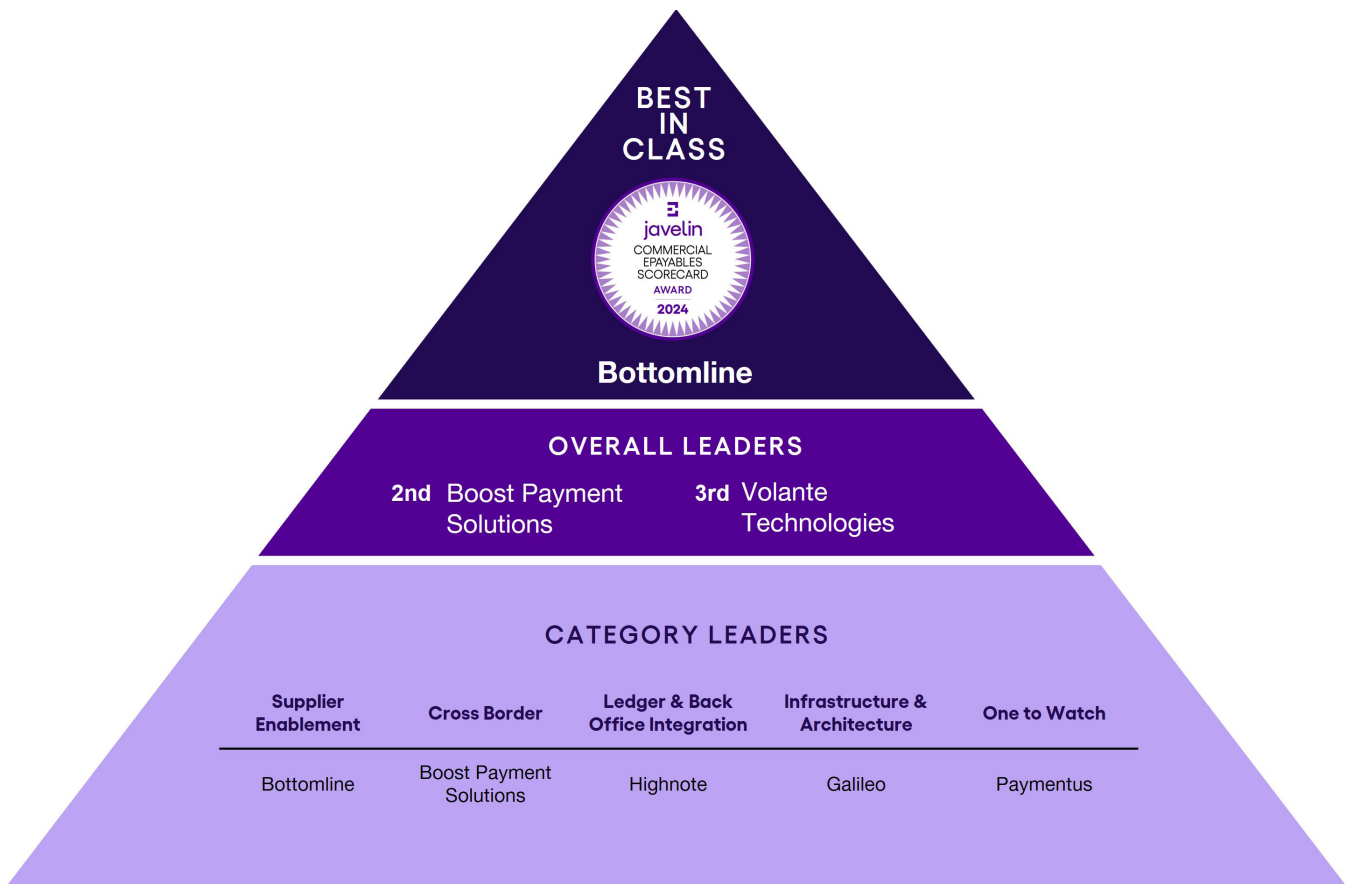
Overview

Bottomline stands as the Best in Class winner of the inaugural Javelin Strategy & Research scorecard rating the leading third-party ePayables platforms. Bottomline was the most comprehensive offering and scored highly in all four categories evaluated by Javelin. Bottomline is also the leader in the Supplier Enablement category, with an impressive offering for vendor onboarding and ongoing supplier engagement. Finishing as overall leaders are Boost Payment Solutions and Volante Technologies, which have solid ratings in all categories, albeit with different focuses.

This scorecard provides guidance to commercial enterprises in assessing potential ePayables partners, helps enterprises see how current vendors stack up, and if an enterprise is new to the ePayables space, it provides a clear definition of the technology, key benefits, and sample use cases.

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Source: Javelin Strategy & Research, 2024

Bottomline Wins Best of Class

In the inaugural Javelin Strategy & Research Commercial ePayables Scorecard, Bottomline took the top spot with a comprehensive product that scored highly in all categories of the evaluation. Bottomline was also the leader in the Supplier Enablement category, with an impressive offering for vendor onboarding and ongoing supplier engagement.

Finishing as overall leaders in the scorecard were Boost Payment Solutions and Volante Technologies, which performed solidly in all categories. Other vendors evaluated were BillGo, Corpay, Galileo, Highnote, Paymentus, Ramp, and Stamplicy.



Best in Class and Top Selection for Supplier Enablement Category

ABOUT BOTTOMLINE

Bottomline is a global financial technology provider specializing in business payment automation, including ePayables, invoice processing, and fraud prevention. With more than 30 years of expertise, it serves thousands of customers worldwide, ranging from small to large enterprises. Its platform, Paymode, is a comprehensive business payments network designed to simplify and secure payments, improve cash flow visibility, and enhance compliance. Through cutting-edge solutions, Bottomline helps organizations streamline complex financial processes, reduce manual tasks, and foster stronger supplier relationships.

WHY JAVELIN CHOSE BOTTOMLINE AS BEST IN CLASS: SUPPLIER VALUE WITH PAYMODE

Bottomline's Paymode stands out as a best-in-class solution because of its significant supplier value, particularly in visibility, automation, and security. The platform enhances transparency by offering detailed remittance information, payment status tracking, and seamless invoice-to-payment reconciliation. Its automation capabilities streamline the posting-to-cash cycle, significantly speeding up reconciliation processes by directly integrating with ERPs. Paymode prioritizes security with built-in KYC and AML compliance and multifactor authentication. With 24/7 access to member services and support on any device, suppliers experience an unmatched combination of efficiency, control, and security.

WHY BOTTOMLINE WAS THE TOP SELECTION FOR SUPPLIER ENABLEMENT

Javelin identified Bottomline as the top choice for supplier enablement because of its comprehensive, strategic approach to campaign management and servicing. Its rebate-focused campaigns are designed to maximize supplier participation and satisfaction by promoting virtual cards and Premium ACH, accelerating payment terms while offering extended terms for suppliers that prefer check or essential ACH payments. Bottomline's team is proactive in this process, conducting

outbound communication to prompt payment processing and to ensure suppliers use the correct setup and features for timely transactions. The Vendor Success team offers personalized post-enrollment support, helping suppliers fully leverage the platform's value, addressing concerns, and keeping them engaged and enrolled. Additionally, the company's specialized Card Enrollment team drives focused campaigns tiered by supplier spending, allowing for more effective and tailored outreach. This segmentation, combined with dedicated follow-up and support, ensures that Bottomline understands the business needs and goals of its suppliers and provides a seamless onboarding and ongoing servicing experience, making it the best-in-class solution for supplier enablement.

OTHER COMPANY STRENGTHS

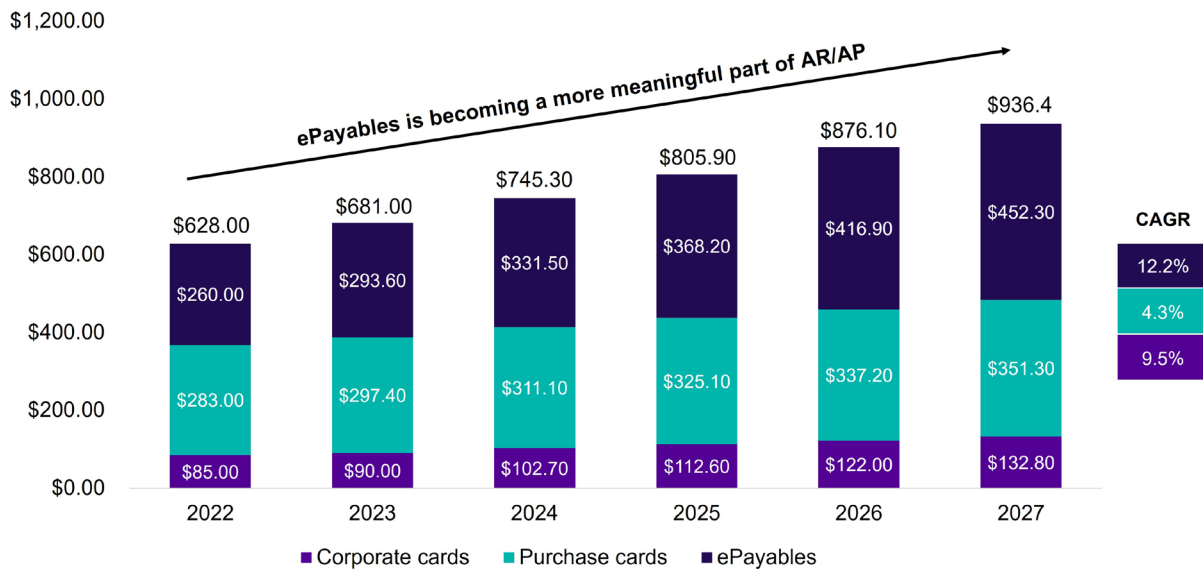
Beyond payment automation, Bottomline excels in providing robust compliance controls and support services. The company's dedication to delivering exceptional member support, including 24/7 access for payment-related inquiries, ensures smooth operations and rapid issue resolution. Its focus on secure delivery methods, such as transport layer security for email remittance, ensures that critical financial data remains protected. Additionally, Bottomline's Paymode network supports scalability and flexibility for businesses, integrating effortlessly with existing ERP systems to enhance cash management, invoice matching, and supplier communication. This makes it an essential tool for businesses seeking to optimize their ePayables program.

Key Benefits of Commercial ePayables

Streamlined processes. One of the most significant benefits of commercial ePayables is the automation and streamlining of the entire accounts payable process. Manual tasks such as data entry, check printing, and mailing are eliminated, reducing administrative overhead and freeing up valuable time for the accounts payable staff to focus on more strategic tasks. Automation also helps standardize payment processes, ensuring that all payments are handled consistently and in compliance with company policies.

Why ePayables Matter to Accounts Receivable, Accounts Payable

Growth of ePayables, Purchase Cards, and Corporate Cards



Source: Javelin Strategy & Research and Association of Financial Professionals, 2024

Enhanced control over cash flow. Commercial ePayables give businesses greater control over their cash flow by allowing them to manage payment timing better and take advantage of supplier discounts for early payments. In addition, using commercial cards extends the payment cycle, as businesses can delay actual cash outflows by utilizing the credit line provided by the card issuer. This allows companies to improve their working capital management while still making timely supplier payments.

Improved security. Traditional payment methods, such as checks and wire transfers, are susceptible to fraud and errors. Commercial ePayables enhance security by using virtual card numbers for transactions, reducing the risk of fraud and unauthorized use. Each virtual card number is explicitly created for a single transaction and is tied to a predetermined amount, making it difficult for cybercriminals to exploit. Additionally, ePayables platforms often include advanced security features like tokenization and encryption to protect sensitive payment data.

Transparency and visibility. Commercial ePayables solutions provide real-time visibility into the status of payments and invoices, allowing businesses to track payments from initiation to settlement. This level of transparency is essential for maintaining strong supplier relationships, as it ensures that suppliers can see when they will be paid and allows them to reconcile payments more efficiently. Businesses can also use the data generated by ePayables systems to gain insights into their spending patterns, optimize their payment strategies, and negotiate better terms with suppliers.

Industry Applications of Commercial ePayables

Commercial ePayables are widely used across various industries, particularly those that manage complex supply chains and large-scale procurement processes. Some key sectors where ePayables solutions have been the most beneficial include retail, manufacturing, logistics, and professional services.

In the retail industry, where businesses work with a vast network of suppliers, commercial ePayables simplify the management of supplier payments and help retailers maintain strong relationships with their vendors. Retailers can process payments faster, take advantage of early payment discounts, and reduce the administrative burden on their accounts payable teams. ePayables also enable retailers to manage costs to suppliers in different regions, making cross-border payments more efficient.

Manufacturing companies often deal with complex supply chains and must manage payments to numerous suppliers for raw materials, components, and services. Commercial ePayables allow manufacturers to streamline payment processes and improve visibility into their cash flow. By automating payments, manufacturers can reduce the risk of payment delays and ensure that their suppliers are paid promptly, which is critical for maintaining the supply chain’s smooth operation.

In the logistics sector, where companies manage the movement of goods across various regions and countries, commercial ePayables offer a reliable and secure way to pay suppliers, carriers, and other service providers. The use of ePayables helps logistics companies reduce the administrative burden of managing multiple payment methods and currencies and improve the accuracy and speed of cross-border transactions.

For professional services firms, such as consulting, legal, and marketing agencies, commercial ePayables can more efficiently manage payments to contractors, vendors, and suppliers. These firms often handle a high volume of payments for various projects, and ePayables allow them to streamline their payment processes, reduce manual data entry, and improve their ability to track expenses and manage cash flow.

Understand Your Suppliers When Implementing ePayables

Key Concerns From Suppliers

Risk	Organization	Capital	Culture
<ul style="list-style-type: none"> • Fraud mitigation is key • Suppliers cannot afford the cost of fraud • Suppliers prefer not to be paid by check due to exposure • Suppliers prefer methods that allow for visibility of payment status 	<ul style="list-style-type: none"> • Solid tech and limited AR resources • Suppliers need automation for receivables • Suppliers need tools for reducing friction in processing payments and prefer to have one or two payment types as opposed to four or more 	<ul style="list-style-type: none"> • Working capital is critical • Suppliers value the ability to access dynamic discounting • Suppliers would like to see tiered cost structure • Suppliers would like opportunity to negotiate merchant discount rate periodically 	<ul style="list-style-type: none"> • Partner-oriented • Suppliers are very collaborative and open to new payments strategies • Suppliers prefer a low number of key strategic partners

Source: Javelin Strategy & Research, 2024

It's Not All About Reduced DSO for Large Suppliers

Applying a small-supplier strategy to large suppliers in an ePayables program is a critical misstep. Success hinges on a comprehensive understanding of the operational and financial advantages suppliers can gain, paired with practical tools and dashboards to communicate those benefits. For buyers utilizing virtual card payments, reducing days sales outstanding (DSO) significantly improves working capital and streamlines cash flow. However, it's essential to acknowledge suppliers' priorities beyond simply reducing DSO.

Many suppliers already have established payment processes or prefer traditional invoicing because of lower processing costs and easier reconciliation. As such, buyers should consider offering incentives such as reduced fees based on transaction volume and operational benefits such as greater transparency in payment timing and simplified reconciliation via buyer-backed systems.

Corporate buyers working with banks that provide closed-loop platforms or open-loop banks that control both issuing and acquiring have multiple strategies to appeal to suppliers. Although still evolving, rebate sharing is gaining popularity by offering a more balanced reward system that traditionally favors buyers.

In negotiations regarding the allocation of costs and rewards, the discussions usually involve the commercial buyer, the ePayables provider, and the card networks. However, large suppliers increasingly leverage their market power to demand reduced merchant fees, rebate sharing, or both. Thanks to their high transaction volumes, these suppliers have significant bargaining power to secure better terms, including lower interchange fees from credit card networks. Their ability to grant exclusivity to particular payment processors or networks further enhances their negotiation leverage.

Methodology

The methodology employed in this scorecard is a blend of quantitative and qualitative approaches to data collection. This mixed-method strategy is crucial in providing a nuanced understanding of the capabilities and performance of different ePayables solutions.

For this scorecard, a variety of data sources were utilized to ensure a well-rounded assessment of each ePayables platform. These sources include market research reports, case studies, product demonstrations, and financial performance data.

To ensure a fair and thorough evaluation of the ePayables platforms, a set of clear and consistent evaluation criteria was established. These criteria reflect the key capabilities that businesses look for when choosing an ePayables solution and fell into four categories:

Supplier Enablement: The ability of an ePayables platform to onboard and support suppliers is one of the most critical factors in its success. This set of criteria evaluated how effectively each solution facilitates supplier registration, the variety of payment options offered to suppliers, and the overall ease of use for suppliers and buyers.

Cross Border: The criteria in this category assessed the functionality and efficiency of each platform's cross-border payment capabilities, including its support for multiple currencies, compliance with international payment regulations, and overall ease of processing international transactions.

Infrastructure and Architecture: A robust infrastructure ensures the platform can handle high transaction volumes, maintain security, and provide reliability, all while scaling to meet growing demands. Effective architecture provides the framework for seamless integration across different financial systems, ensuring flexibility, interoperability, and adaptability to ever-changing market needs.

Ledger and Back-Office Integration: By integrating directly with a company's accounting system or ERP, these platforms automate key processes such as invoice matching, payment reconciliation, and cash posting. This reduces manual data entry, minimizes the risk of errors, and provides real-time visibility into financial transactions, all of which allow businesses to maintain accurate records and make informed decisions.

The scoring system used in this scorecard was based on a 10-point scale, with weightings assigned to each category according to its importance in the industry and its relevance to the needs of businesses using commercial card ePayables solutions. This scoring system ensured that each platform was evaluated based on a balanced and industry-relevant set of criteria so businesses have a clear and transparent assessment of the top ePayables solutions on the market.

Related Research

A Modern-Day Primer on Commercial and Enterprise Payments

July 2024

Commercial and enterprise payments comprise some of the most essential elements of any large enterprise. They affect critical areas such as liquidity, cash forecasting, and creditworthiness. When those transactions are conducted on a global scale, the intricacies become even more daunting, with cross-border challenges, a tapestry of regulations, and the need for strong, nimble treasury management.

Movements in Global Commercial Payments and Banking: 2024 Edition

April 2024

Global commercial banking and payments are evolving swiftly, driven by technological progress, evolving corporate habits, and emerging market dynamics. This puts businesses on the spot to respond in ways that keep them competitive, minimize exposure to risk, and capitalize on what's coming. Most notably, instant payments are gaining ground around the globe. Businesses, taking a page from instant payments' successes in the consumer space, will drive further growth.

Understanding Commercial Card ePayables: An Abridged Guide for Commercial Buyers

February 2024

In the world of commercial card payments instruments, ePayables—a virtual type of card payment—is the fastest growing segment, bringing operational efficiency for buyers and their suppliers and offering flexibility and the potential for better cash flow. Further, ePayables represents a lucrative field for the banks supporting such programs, and the provision of a bank consultant who can assist enterprises with recruiting suppliers who accept the payment method has become table stakes.

About Javelin

Javelin Strategy & Research, part of the Escalent family, helps its clients make informed decisions in a digital financial world. It provides strategic insights to financial institutions including banks, credit unions, brokerages and insurers, as well as payments companies, technology providers, fintechs and government agencies. Javelin's independent insights result from a rigorous research process that assesses consumers, businesses, providers, and the transactions ecosystem. It conducts in-depth primary research studies to pinpoint dynamic risks and opportunities in digital banking, payments, fraud & security, lending, and wealth management. For more information, visit www.javelinstrategy.com.

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