



VENDER ENROLLMENT

Best Practices

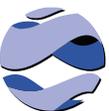
*Four Keys to Getting the
Most Out of Your Virtual Payments*

Introduction

Vendor Enrollment matters. *It's the key driver of a virtual payment program's success. And it can be a primary cause for its failure.*

What do we mean by failure? If you are disappointed by your virtual payments program after implementation, you've probably experienced virtual payment implementation failure. Sometimes virtual payment implementation failure is the result of technology gaps, or being forced to manage multiple payment platforms.

Most often, however, disappointment is the result of not being able to move as much spend as expected to a new virtual payments program. This primary issue is *a direct result of a poorly executed vendor enrollment campaign*, most often due to a lack of support and expertise provided by the virtual payments provider.

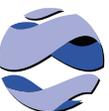


The Four Keys

How can your organization help ensure that your vendor enrollment campaign is successful?

There are *4 keys* to getting the most out of your virtual payments:

- ▲ *1. Define Success.*
- ▲ *2. Defy the Standard.*
- ▲ *3. Limit Client Effort.*
- ▲ *4. Evaluate Results.*



▲ 1. Define Success

Start by identifying your vendor enrollment goals.

We suggest *two primary measurements* for defining vendor enrollment success:

- ▲ *The number of vendors enrolled compared with the number targeted.*
- ▲ *Your vendors' satisfaction level with your campaign efforts.*

▲ 2. Defy the Standard

The industry vendor enrollment standard is unimpressive. Why? *Because vendor enrollment efforts have traditionally been facilitated by banks, and vendor enrollment is not what banks typically do.*

Banks are good at a lot of things; they just have not proven to be very good at this key aspect of any virtual payment program's success. Coupled with technology issues, vendor enrollment is the largest area of weakness that banks display when it comes to products that require strong vendor enrollment capabilities.

Banks actually achieve the greatest vendor enrollment success when they outsource this process to vendor enrollment experts, yet few do. Instead, many banks try to cut costs by placing the burden of vendor enrollment on their clients, and by doing a poor job of facilitating their efforts.

By working directly with a virtual payments provider that offers a dedicated vendor enrollment team, your organization can defy the vendor enrollment standard.



▲ 3. Limit Client Effort

How much vendor enrollment effort is too much for organizations looking to go virtual with payments? Ten hours is the magic number. *If your organization has to put more than 10 hours into the vendor enrollment effort, you are doing too much.*

Is your effort critical to a successful vendor enrollment effort? Yes. But your organization should not have to do anything more than provide strategic guidance and some basic vendor information to your payments provider. Those basics should be limited to.

- ▲ *Providing Vendor/Supplier information* such as name, address, phone number, annual spend, and tax ID. Most often this information can be pulled as a simple report from your accounting system.
- ▲ *Approving a vendor enrollment letter.* It is important that you work with your provider on the right language of a vendor letter, so that your vendors/suppliers are hearing from you regarding your desire to shift payment methods to virtual payment.

- ▲ *Supporting the campaign by speaking to interested vendors and suppliers that contact you for more information regarding your new form of payment.*
- ▲ *Ensuring that other stakeholders within your organization are aware of your new preferred form of payment. Often your suppliers are going to call those within your organization with whom they interact most often. Make sure everyone in your organization knows about this so they are not caught off-- guard.*

Again, the sum total of hours put into these efforts should not exceed 10. The rest of the effort is “grunt work,” and your provider should do it for you.



▲ 4. Evaluate Results

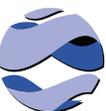
What does vendor enrollment success look like? Let's revisit our earlier metrics.

Did you maximize the amount of spend that you now push through your virtual payment option?

The typical bank vendor enrollment effort converts less than 5% of spend to virtual payments. Compare that to the industry leader in vendor enrollment, which averages five times the banks' conversion rate. Your virtual payment provider should provide an accurate prediction of spend that you can expect to convert prior to the enrollment effort.

Ultimately, your goal should be to move completely away from paper checks, and you should ensure that your provider knows that.

Communicate your expectations to your provider and understand how they plan to get you there.



Did your vendors feel good about the process?

You should be certain that you are being provided with a multi-faceted communication plan for your vendors and suppliers. Make sure that your provider will work to ensure that your business partners feel positive about their experience with your vendor enrollment team.

Not all of your vendors and suppliers can process virtual payments, and not all of them will.

But all of them should feel good about being asked, understand why they were asked, and understand how their decision impacts their relationship with your organization.





Conclusion

*The whole point of virtual payments is to get your bills paid in a way that is **highly satisfactory both to you AND to your suppliers.***

The only way for that to happen is through a successful vendor enrollment program. Your virtual payments provider should be able to advise you on how to make your vendor enrollment initiative a success.

Need more information?



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