



## WOW! Generates Nearly \$1 Million in Rebates with Virtual Cards

### CLIENT NAME

## WOW! Internet, TV and Phone

### INDUSTRY

Broadband Service

### VIRTUAL CARD LOAD

\$6 million per month

### REBATES GENERATED

\$900,000 (Annually)

### PARTICIPATING VENDORS

800

Paying suppliers with paper checks is a costly, error-prone and risky affair. Yet most businesses still pay most of their suppliers using checks, per the Institute of Finance and Management (IOFM).

But the tide is turning against paper checks.

Accounts payable departments say that paying more suppliers electronically is their top priority, IOFM reports. WOW! is one business that is successfully migrating to electronic payments.

WOW! is one of the nation's leading broadband providers, serving residential, business and wholesale customers in Illinois, Michigan, Indiana, Ohio, Maryland and the Southeast. With an expansive portfolio of advanced services including high-speed internet, data, voice, cloud and cable television services, the company's goal is to provide friendly, quality service at affordable prices.

Each month, WOW! makes between 7,000 and 9,000 payments to hundreds of suppliers. Until recently, WOW! made more than 95 percent of its payments to suppliers using a paper check. Six full-time equivalents (FTE) in

WOW!'s accounts payable department managed the company's check runs. Most of its electronic payments were wire transfer payments to international suppliers.

"We were in the Dark Ages when it came to paying suppliers," recalls WOW! Accounts Payable Manager Sandy Sakhon. A lack of accounts payable resources and competing projects always seemed to stand in the way of the company's migration to electronic payments, she explains.

"Electronic payments fell into the cracks," Sakhon says.

But WOW!'s accounts payable department knew that to become more efficient – and to eliminate the time and money spent on check runs to eventually transform the function from a cost center to a profit center – it needed to pay more of its suppliers via card and Automated Clearing House (ACH).

That's why WOW! was excited to discover EML Payments, a certified payment processor and provider of solutions for supplier payments. EML Payments issues mobile, virtual and physical card solutions to some of the largest brands in the world, processes billions of dollars in payments each year, and manages more than 850 payment programs across North America, Europe and Australia.

A compelling business case convinced WOW! to contract with EML Payments in October 2016.

Another reason that WOW! selected EML Payments as its electronic payments partner was its proven supplier onboarding program. "WOW! has doubled in size in a short period of time and we didn't have the bandwidth to enroll suppliers ourselves," explains Sakhon. "We couldn't have made the move to electronic payments without a partner that offered a supplier onboarding program."

EML Payments compared WOW!'s master vendor file against the Mastercard database to predict how many of its suppliers were likely to convert to virtual cards. EML Payments then designed an enrollment campaign and multi-faceted communications program tailored to suppliers of different size, spend, industry and current card acceptance. Suppliers could register for virtual card payments via an online self-service portal or over the phone with EML Payments' onboarding professionals.

After a delay to accommodate the implementation of a new enterprise resource planning (ERP) application, WOW! began making virtual card payments to its suppliers in January 2017.

The first suppliers that WOW! converted to the EML Payments solution were the approximately 20 suppliers that it already paid via card. "We knew these would be our easiest conversions," Sakhon says. WOW! began converting its other suppliers to the EML Payments solution the following week.

Since deploying the EML Payments solution, WOW! reached a peak virtual card adoption of 30 percent. Today, WOW! makes about \$6 million a month in supplier payments via virtual card.

## The Benefits

Migrating to virtual card payments is providing WOW! with significant benefits:

- **Transforming accounts payable into a profit center:** WOW! earns a rebate from the interchange fee that suppliers pay to receive virtual card payments. The company earned approximately \$1 million in rebates in the first year it offered virtual cards. Unlike banks, EML Payments pays out its rebates each month. What's more, rebates are based on net interchange, which provides the business with bigger payouts than other approaches. The rebate helped defray the cost of the company's new NetSuite ERP application, Sakhon explains. EML Payments also helps WOW! generate rebates from suppliers that are traditionally tough to convert, such as utilities, phone service providers and consultants.
- **Streamlined supplier payments:** WOW! no longer needs to print, stuff and mail checks for all its suppliers. The company simply generates a file from its NetSuite ERP application of all payments scheduled for card-accepting suppliers. WOW! then uploads the file to a secure server, and EML Payments initiates the virtual card transactions via email and online portal. And with virtual cards, WOW! can pay larger and more strategic suppliers more quickly.
- **Improved standing for accounts payable:** WOW!'s senior management is excited about the rebates Sakhon's department is generating, and the increased efficiency and cost savings.

WOW!'s migration to virtual cards has been so successful that the company plans to use the EML Payments solution to begin offering ACH payments to suppliers who still receive paper checks.

## Lessons Learned

Sakhon shares the following advice for other businesses planning to migrate to electronic payments:

- **Develop a holistic strategy:** Virtual card payments are not for everyone. For instance, multi-dwelling properties and other suppliers that are paid revenue share or commissions have not converted to virtual cards. That's why it's important to choose a solutions provider that offers a full breadth of options, including checks, virtual cards and ACH transactions.

- **Communicate, communicate, communicate:** Clearly explain to suppliers what's involved in getting paid via virtual card. Some suppliers don't read the fine print and were shocked to learn that they were assessed a fee to accept virtual card payments, Sakhon says.
- **Don't overlook utilities:** The adoption of virtual card payments among utility suppliers surprised Sakhon. Look for a solution with an online self-service portal to pay utilities via virtual card, as well as the ability for utilities to call the solutions provider for card payment.
- **Get everyone on the same page:** Mixed messages from field staff and other stakeholders can undermine the adoption of virtual cards, Sakhon warns. She recommends arranging stakeholder meetings before migrating to electronic payments to discuss elements of the program, how stakeholders should respond to common questions, and points of contact.
- **Know your suppliers:** Providing accurate and complete contact information for each of your suppliers to payments solutions provider like EML Payments enables them to enroll suppliers more quickly in virtual card programs. Without contact information, there is no guarantee your communications will ever reach the right person within a supplier's organization.
- **Never stop enrolling:** Suppliers come and go. That's why it is important to work with a payments solutions provider that will periodically analyze spend files to identify new suppliers who are known to accept virtual card payments or who can be approached.
- **Rethink your standard payment terms:** For many suppliers, getting paid faster is a big incentive for accepting virtual card payments. WOW! is adjusting payment terms on an ad hoc basis to encourage suppliers to accept virtual cards (pushing back payment terms for suppliers who demand paper checks). But Sakhon believes that formally adjusting standard payment terms as part of an electronic payments migration is critical for driving adoption.

## Conclusion

Paying suppliers electronically with the EML Payments solution is "super easy," Sakhon concludes.

For a fast-growing business like WOW! – where accounts payable resources are tight – electronic payments drives efficiency and delivers value to the organization through monthly rebates.

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Sandy Sakhon  
Accounts Payable Manager  
WOW!

## About EML

A full-service payment provider and certified processor, EML provides a full line of payment services, including virtual cards, ACH, purchasing cards and eCheck. We work with you to identify and eliminate hidden payment costs while optimizing supplier enrollment, so you can earn higher rebates on the payments you're making every day. Our programs offer:

- Easy program implementation
- Customized supplier enrollment
- Online supplier portal