DO YOU TAKE CARDS?

3 STEPS FOR A COMPREHENSIVE CREDIT CARD ACCEPTANCE STRATEGY
THE CONSUMER EXPERIENCE

You’re out enjoying your day, and you make an unscheduled stop at a store. Maybe your umbrella breaks during a torrential downpour, or you’re starving and want to grab a slice of pizza.

You walk up to the cashier, open your wallet, and discover that you don’t have any cash. You take out your credit card and the cashier stops you.

“Sorry, we don’t take credit cards.”

You’re directed to the high-fee ATM in the corner of the store and told to come back with cash.

You feel frustrated.

Your quick transaction is now lengthy and inconvenient.

You don’t want to pay $2.50 in fees for a $20 withdrawal.

You’re worried that the off-brand ATM may not be secure.

So what do you do? You might angrily make the purchase. Or you leave, and either skip the purchase, or search for a store that accepts credit cards.

After having a bad payment experience, you’re not going be a loyal customer. Which makes us wonder, was it worth it?
B2B’S CAN’T AFFORD TO LOSE BUSINESS

It’s not just small businesses that face this problem – even the largest enterprise B2B organizations lose customers because they don’t accept credit cards as payment.

As a finance professional, you know that if your buyers are unhappy, they will find a new supplier. If your customers can’t pay the way they want, they are going to switch to a company that makes payment convenient.

According to a recent credit card survey:

Only 22% of B2B companies have rules for accepting credit cards

Just 19% of B2B businesses automate card payments through an online portal

If your business accepts credit cards, you may want to rethink your strategy. You may be subject to excessive fees and the manual labor involved may make your AR department inefficient. As you grow, these problems will only get worse.

If your business doesn’t accept credit cards yet, you’re not only giving your customers a reason to leave, you’re also missing out on this top line revenue stream.
THE COLOSSAL CHALLENGES OF ACCEPTING CREDIT CARDS

Every interaction you have with your customers is a touchpoint that can create loyalty or fracture the relationship. The payment process is one of the most challenging touchpoints to navigate, and it’s one that can make or break your business.

Payment acceptance is also a difficult and costly process from a B2B perspective. Credit cards bring their own potential pitfalls, such as:

- Expensive fees and costs
- Security risks
- Time-consuming, manual labor

If you accept credit cards, you’re opening yourself up to expensive costs and extensive risks, but if you stop accepting them, you lose business.

What can finance professionals like you do? How do you keep your customers happy while minimizing your costs?
CREATE A STRATEGY TO FIT YOUR NEEDS

The answer is simple. Solve these high priority issues by creating policies and strategies for your B2B organization that reduce inefficient manual labor and expensive fees.

The right solution to any challenge involves planning and preparation. A well-thought-out credit card acceptance strategy can help you mitigate the potential impact while maximizing customer satisfaction and loyalty.

If you currently accept credit cards, developing a new strategy will help you identify ways to reduce fees, minimize security risks, automate manual processes, and make credit cards work for you. If you’ve been holding off on credit cards because you’re worried about the extra work and expensive fees, it’s time to create a strategy and take the plunge.

With a little time and research, you can determine the right strategy and technology for your organization. The growth and opportunity will be worth it. Customers may leave for a competitor who understands the importance of user experience. Your AR process doesn’t just bring money in the door, it is a valuable touchpoint with your customers.
A FEW THINGS TO CONSIDER...

Before you create your strategy, you’ll need to examine both your existing processes and your customers’ needs in order to identify which strategic solutions might work best for your business.

Your goal is to minimize the effort, fees and security risks for your organization. At the same time, you need to maximize the flexibility and convenience for your customer.

Still not sure where to start? This list can help:

- Name new payment methods you want to support, such as web portal, email, and IVR/phone
- Learn the cost and labor involved in accepting and processing payments via these new channels
- Decide which cards you will accept
- Identify customers that are allowed to pay using a credit card
- Resolve whether to accept Level II and III processing (which involves more technology but can greatly reduce fees)
- Agree on how to handle discounts, refunds and chargebacks
- Pick internal processes for handling credit card data efficiently
- Choose how to reconcile credit card payments
- Maintain security of cardholder information
- Decide how to handle “Card Not Present” transactions
- Figure out virtual card (emailed credit card) processing
- Develop a plan to prevent credit card fraud

Let’s find out how to strategically resolve these open questions.
### Why Should You Create a Credit Card Acceptance Strategy?

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<th>Reduced credit risk</th>
<th>Accurate and timely financial reporting</th>
<th>Lower administrative expenses</th>
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<tbody>
<tr>
<td>Increased productivity</td>
<td>Faster collections</td>
<td>Improved customer service</td>
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You’ll also enjoy the benefits of:

- Immediate payment
- Increased cash flow
- Improved DSO
- Fewer credit approvals and collection-related activities

**So, where do you start? How do you create your own acceptance policy?**
STEP 1: FOCUS ON REDUCING FEES

Interchange fees for processing credit card payments can add up, but there are ways to save. Start by figuring out ways to reduce fees, and create policy guidelines that incorporate those best practices. Once you’ve identified ways to save that work for both you and your customers, put them into place by using self-service portals to restrict credit card acceptance to preferred scenarios.

A few policy examples to reduce fees might include:

- We will accept a card if we can waive an early-pay discount
- We will accept a card if a customer pays within the first 7 days
- We will accept a card from my ‘preferred’ accounts
- We will accept a card if my customer uses paperless invoicing
- We will accept a card when we can use Level II or III processing

The amount of manual labor involved in accepting and processing each payment also adds to the cost. Let’s look at how we can continue to make credit cards work.
STEP 2: FOCUS ON REDUCING MANUAL LABOR

Manual keying is one of the primary reasons why many B2B companies have difficulty accepting credit cards. On top of the fees, it can require multiple people and a lot of extra time, adding to the total cost. With the right credit card acceptance policy, you can increase operational efficiency and reduce manual labor.

A few policy examples to reduce manual labor might include:

- We will accept credit cards only when a customer uses automated invoicing
- We will accept credit card payments through self-service portals
- We will accept credit cards when we can automate processing
- We will use an automated solution to accept and process emailed credit card payments (also known as virtual cards)
- We will accept credit cards through an automated phone system (also known as IVR)

Security risks are also an important area of concern. Let’s explore how a credit card acceptance policy can reduce your risks.
STEP 3:
FOCUS ON REDUCING SECURITY RISKS

Your customers need to trust that when they share payment data with you, it will be secure. To avoid finding your company name in the next round of security breach headlines, security must be your top priority. With the right strategy and PCI compliant solutions, you can secure credit card payments easily.

A few policy examples to reduce security risks might include:

- We will make sure our network is secure using firewalls, encryption and antivirus software, and other protocols.
- We will monitor and test network security to make sure it’s safe.
- We will use a dedicated server to store cardholder data with limited access for designated employees, or even better, a secure third-party server with restricted access and masked information.
- We will implement safeguards to protect cardholder data, such as destroying cardholder data when it is no longer needed.
- We will retain a third-party firm to audit our compliance with state privacy laws.
- We will use only PCI compliant automated solutions for invoicing and payments.
IMPLEMENT YOUR CREDIT CARD STRATEGY WITH AN AUTOMATED SOLUTION

An automated, PCI compliant payment cycle management solution can help you execute your credit card strategy and stick to it. Online payment portals, dashboards, criteria settings and other features will help you reduce credit card processing fees, automate manual processes, and ensure data security. When you integrate invoice delivery, payment, and cash application with your ERP using a flexible, cloud-based solution, you’ll save and improve operational efficiency.

An automated invoicing and payment solution will allow you to:

- Speed up the invoice-to-cash process
- Create a virtually touchless AR process for your team
- Utilize AI and machine-learning technology to learn how to handle exceptions
- Use secure, branded, self-service portals for greater efficiency
- Add multiple payment methods and payment channels you can accept
- Increase electronic adoption through best practices, reducing costs even more

When you add it all up, you will make your customers happier by offering more customer-centric payment options while improving your bottom line.
BILLTRUST QUANTUM PAYMENT CYCLE MANAGEMENT

Accelerate cash flow, improve operational efficiencies and gain transparency into your invoicing, payments and cash application when you automate your AR processes with Billtrust Quantum.

All Quantum solutions integrate with any ERP, can be implemented with minimal IT support and will increase your customer satisfaction rates.

With Billtrust, you can reduce AR costs overall by up to 35% or more, depending on the solution that’s right for your business and fits your customers’ needs.
Get a personalized payment strategy today!

Contact a Billtrust Solutions Consultant at:

info@billtrust.com

or

1-888-580-2455

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