

ACT Düsseldorf

Releasing Working Capital with Corporate Cards

9 March 2016

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HSBC 
Global Banking and Markets

The Cards Value Proposition

Verbatim from a recent discussion with a cashmanagement professional:

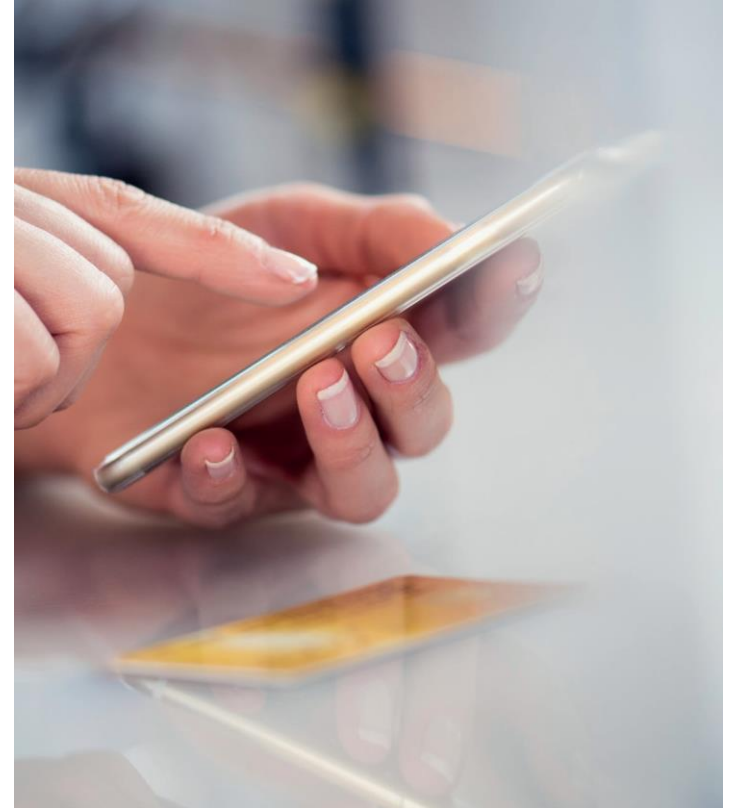
“You don’t charge the client fees?”

“You give them easy-access to quality data?”

“You provide data-file integration into downstream systems?”

“There is an interest-free funding period?”

“Why isn’t every client using cards?”



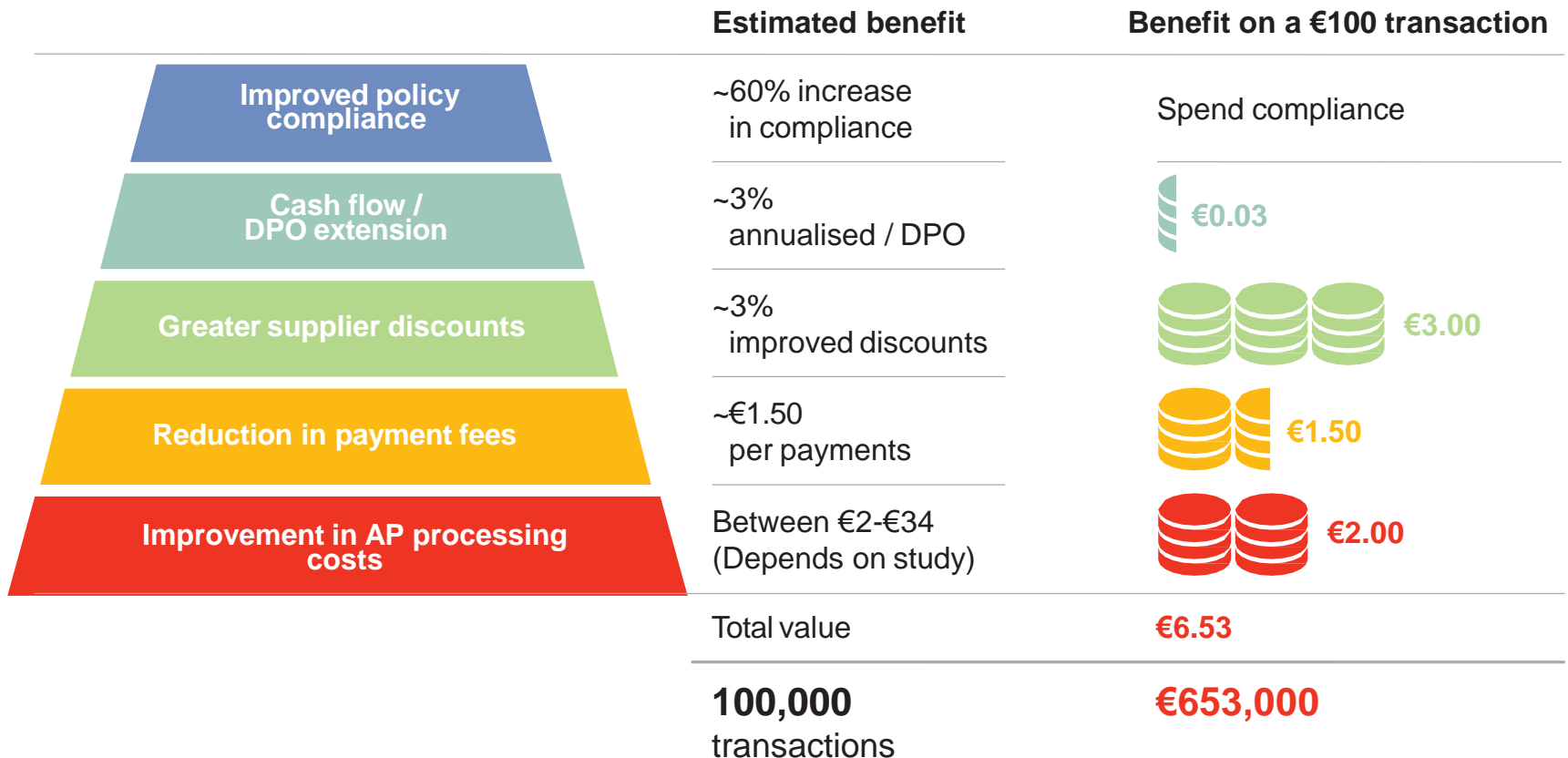
A banker, January 2016

Typical objectives in Treasury, Finance & Procurement

- » Optimise cash position and working capital
- » Rationalise supplier base
- » Reduce invoice processing costs
- » Maximise visibility over transactional activities
- » Streamline processes
- » Integrate data into ERP systems
- » Manage security and risk

The Estimated Benefits of a Card Payment

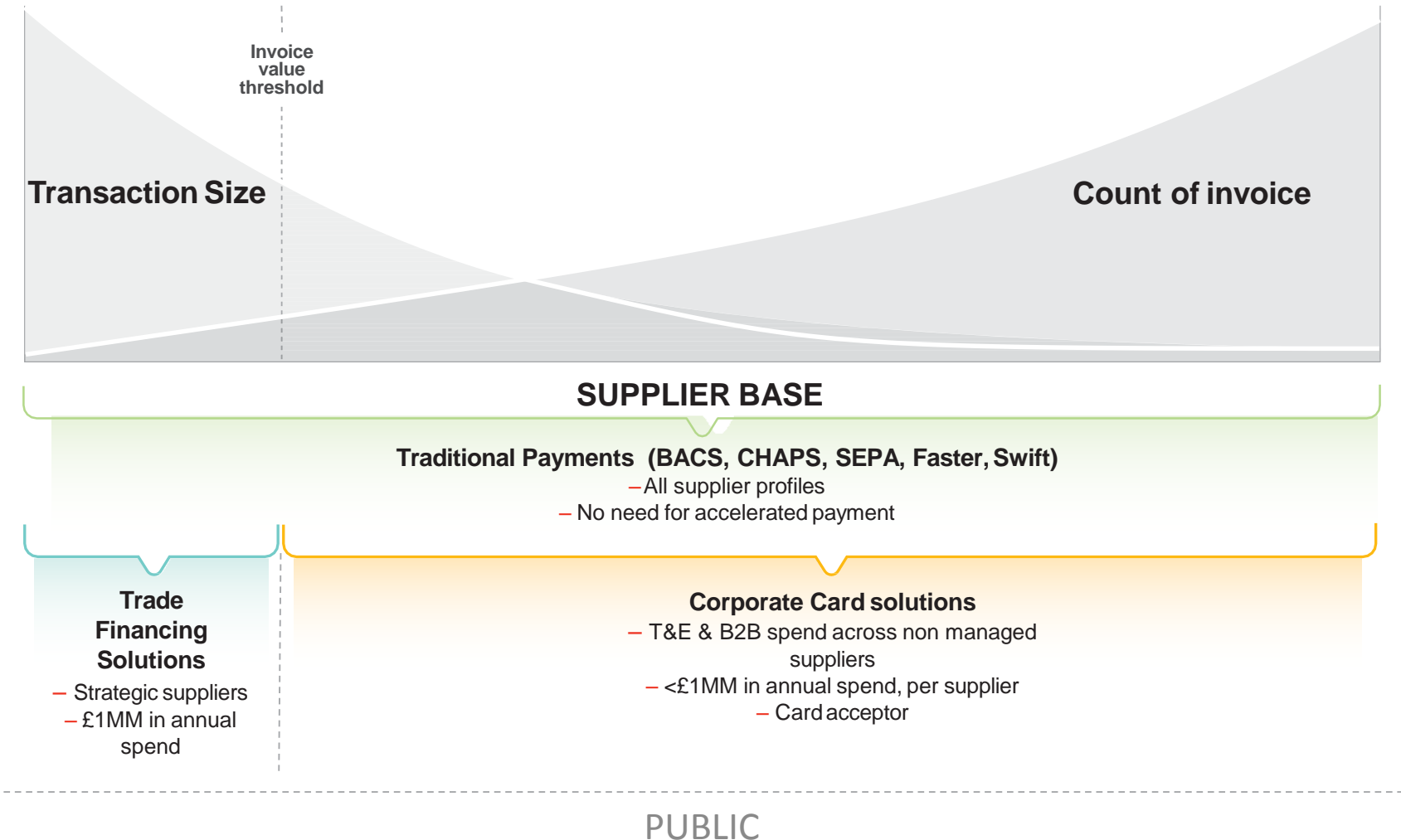
Calculating the true value in card payments



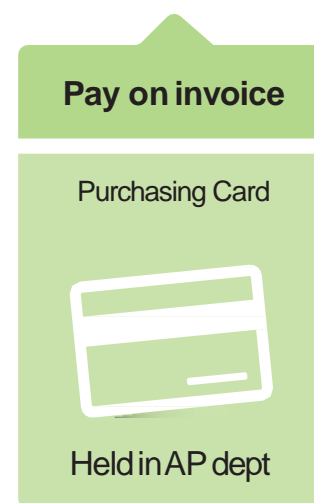
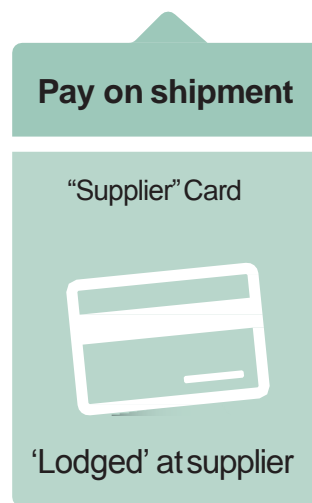
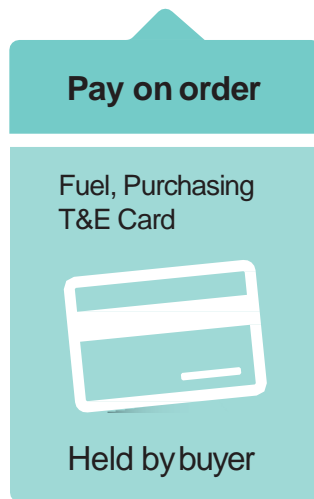
Source: Aberdeen Group, Corporate and Expense Study 2014 & RPMG Purchasing Card study 2014

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Typical Supplier Base / Traditional Payments



Typical P2P Process – Where Can Cards Fit?



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Float benefit for card based payments

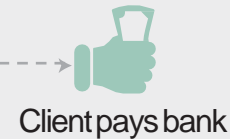
Typical Supplier settlement on invoice



Immediate / early settlement via card



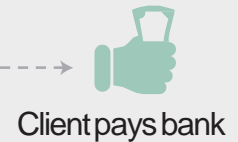
1-30 days for billing cycle (avg. 15 days)
+ contractual days to pay



Extended Payment Terms



1-30 days for billing cycle (avg. 15 days)
+ contractual days to pay



Days / Cash

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Benefits To Buy and Supply Side



Your business

- » Data
- » Improved process
- » Reduced costs
- » Increased DPO
- » Choice of payment method

Running a more efficient operation resulting in improved experience for shareholders and businesses through cheaper operating costs



Your suppliers

- » Preferred supplier status
- » Speed of payment
- » Cash flow

Increasing convenience of receipt management with an additional choice of payment method automating receivables reconciliation, delivering enhanced data on receipts leading to increased efficiency

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