

The 2020 B2B Payment Technology Landscape

Research designed to help business leaders navigate the enterprise technology landscape.

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Executive Summary

The 2020 B2B Payment Technology Landscape is designed to help finance, treasury, accounts payable (“AP”), and procure-to-pay leaders navigate the business-to-business (“B2B”) payments provider marketplace, accelerate the request for proposal (“RFP”) or solution-selection process, and maximize their investments in B2B payment solutions. This Landscape report provides an overview of B2B payments, in general, and delivers a review and assessment of the leading B2B payment providers in the marketplace today. The report will serve as a critical reference document for those organizations pursuing B2B Payment solutions to support their AP, working capital management, supplier management, and payment strategies. The report details the key considerations needed to properly evaluate and select a B2B Payment provider and guide enterprise teams to make more educated solution investments.

The report also highlights and evaluates several prominent B2B Payment providers across the breadth of their solutions including AvidXchange, Bottomline Technologies, Mineral Tree, Paymerang, Tipalti, and Tradeshift. Each of these providers has been evaluated by Ardent Partners and is now an Ardent Partners’ Certified B2B Payments Solution™.

Figure 1: The B2B Payments Technology Evaluation Criteria



Introduction

The COVID-19 pandemic has shaken many businesses to their core, replacing traditional business structures and protocols with an entirely new paradigm. The ramifications of the pandemic have increased attention on cash management, and therefore, onto suppliers and B2B payments. CFOs, treasurers, and other finance leaders are rethinking not only how to manage and execute payments, but also how they can impact suppliers' financial well-being. As we continue to navigate these disruptive days, it is clear that some of an enterprise's best opportunities (and most critical priorities) will play to the strengths and expertise of the AP organization. What is clear is that maintaining operations and the liquidity to fund them has become the top priority for enterprises around the world. This means that AP, finance, and treasury leaders must work deliberately and aggressively to ensure that their B2B payment capabilities can support the enterprise's overall cash management strategy.

The link between B2B payments and overall cash management has never been more appreciated. There is significant untapped value in the financial supply chain, particularly the supplier payment operation, which is available only to the enterprises savvy enough to take advantage of the tools and capabilities that can unearth it. Organizations that do not closely examine their payment processes run the risk of not only wasting their staffs' time and money, but also falling behind the competition. With the recent ascension of advanced technologies in the business-to-business (B2B) payment landscape, however, the unwillingness from both buyers and suppliers that has allowed paper checks to retain a significant portion of B2B vendor payments may slowly be starting to fade.

B2B Payments: “The Last Mile” of the P2P Process Gets its Due

The automation of B2B payments was overlooked by many for years; however, over the last couple of years (and more recently during today's challenging business environment) increased attention has been paid to both automating this critical process and gaining better control over the cash distribution. With ePayments, organizations have access to a powerful tool to support the development and execution of a strategic supplier payment strategy that can shift payment decisions (pay early, pay on time, pay late, take earned discounts, generate rebates, etc.) based on the immediate needs of the enterprise.

Today, businesses are increasingly focused on “the last mile” of the P2P process – B2B payments with 77% of respondents to Ardent Partners *State of ePayables* research report stating they currently have the ability to make ePayments. Businesses are finally realizing the benefits of adopting and expanding their use of digital means in paying suppliers. Organizations are expanding beyond their long-held comfort zones of writing paper checks and are now exploring electronic payment (“ePayment”) methods that are available to them today.

However, when it comes to selecting the “right” electronic B2B payment solution, businesses have many options and factors to consider. Unfortunately, this is not a case of “select one and be done.” They need to develop an electronic payment strategy that encompasses not only their needs and wants, but also the needs and wants of their suppliers. Factors such as supplier size, location (domestic vs international), payment

timing, payment amount, cash requirements, working capital objectives, rebate targets, and more, will require businesses to utilize multiple payment methods. Suffice to say, this is not an area where one (technology) size fits all.

Some ePayment technologies shown in the following pages, such as ACH, wire transfer, and commercial cards, are mature solutions that have long been available for enterprises of all sizes to leverage. However, enterprises have not universally adopted these solutions due to inertia and the fact that many suppliers have refused to accept payment in any format except a paper check for a multitude of reasons as reported in our 2020 *State of ePayables* research with the two most frequent responses being costs borne by suppliers (30%) and lack of technology and resources to participate (47%). These two factors along with inertia— have in many cases delayed faster adoption of ePayments across enterprises of all sizes. However, perceptions have slowly started to shift as B2B payment technologies become more robust, and solutions that lower the barriers to accepting payment electronically and mitigate security risk concerns are developed and introduced.

Below we detail the various modes of B2B payment technologies available today. For those new to B2B payments, they have been grouped into nine primary categories with an explanation for each,

B2B Payment Methods and Options

Wire Transfer

A wire transfer (also known as a bank or credit transfer) is a method of electronic-funds transfer from one person or entity to another. It can be made from one bank account to another, or through a transfer of cash at a bank. Different wire-transfer systems and operators provide a variety of options relative to the immediacy and finality of settlement, as well as the cost, value, and volume of transactions. Central bank wire-transfer systems, such as the Federal Reserve's FedWire system in the United States, are more likely to be real-time gross settlement (RTGS) systems. RTGS systems provide the quickest availability of funds because they provide immediate ("real-time") and final ("irrevocable") settlement by posting the complete ("gross") entry against electronic accounts of the wire-transfer system operator. Other systems, such as Clearing House Interbank Payments System (CHIPS), provide net settlement on a periodic basis.

More immediate settlement systems, such as wire transfers, tend to process larger monetary value time-critical transactions, have higher transaction costs, and have a smaller volume of payments. A faster settlement process allows less time for currency fluctuations while money is in transit, which can be critical for cross-border payments. Wire transfers also require little or no fixed costs to use.

Western Union sent the first wire transfers in the late 1800s, submitting payment instructions over the telegraph wires, which is how the payment protocol got its name in the first place. Wire transfers, like ACH, are commonly used for high-value transactions. In the past, wire transfers were one of only a few ePayment methods that were accepted for cross-border payments; however, this has changed with International ACH, payment networks, and other options.

Domestic (US) ACH

An automated clearing house, or ACH, is a digitally-based payment clearing house and settlement facility first established in the 1970s to process the exchange of electronic transactions, such as credit transfers and direct debits, between participating financial institutions. In order to process an ACH transaction, bank account and ABA routing information must be shared between parties. Unlike other digital payment methods, ACH is optimized for high-volume, low-value payments: it can accept payment batches, so that large numbers of payments can be made at once; and fees are set low enough to encourage the transfer of low-value payments. As a result, an ACH can provide a significant cost savings over paper checks.

In the United States, the ACH Network is the national automated clearing house for electronic funds transfers. ACH credit payments are not only used for vendor payments but also credit transfers, including payroll direct deposit, social security payments, and other benefits. ACH direct debit transfers include consumer payments on insurance premiums, mortgage loans, and many other bills. ACH is used to process financial transactions for consumers, businesses, and federal, state, and local governments. Rules and regulations that govern the ACH network have been established by National Automated Clearinghouse Association (NACHA).

ACH - International

International ACH is a bit of a misnomer. Although the processes are very similar to domestic ACH at the core, there is no one universal ACH system that can be used to electronically send and receive funds across borders. In fact, there are upwards of 100 ACH systems around the world, each one typically representing a distinct country. To complicate matters further, there are no formal standards available to provide assistance; rather, the onus is on the payment sender to understand the intricacies of each international ACH. Both parties, sender and receiver, must understand the ACH requirements within each country, transfer times may take longer, and processing errors are a bit more difficult to correct; that said, the benefits of using ACH to send payments internationally outweigh the risks.

Paper Check

The paper check is still very much alive in 2020. Data from Ardent Partners' *State of ePayables* 2020 market research reported that 49% of payments are still made using paper checks. To review, a paper check is a form of payment that draws money directly from a checking account at a bank or other financial institution. It states the name of the check issuer, the recipient, the payment amount, a signature authorizing the payment, a date, a check number, and a brief memo describing the purpose of the payment. Critically, it also includes the bank account and routing numbers – also referred to as the American Banking Association (“ABA”) routing number – which work together to identify the specific account and banking information. Paper checks remain popular due to users’ familiarity with checks and reluctance to adopt other payment methods. Users also value “the float,” which is the

time between when a check is written (or printed) and when it is cashed, and the funds are withdrawn from their bank account.

Business/Payment Networks

Business networks are web-based platforms that enable interconnected buyers and sellers to trade, communicate, and collaborate with each other. Payment networks specialize in automating and facilitating the invoice and payment process between trading partners. The success of cloud-based technology and the desire for enterprises to transact, communicate, and collaborate digitally (rather than manually) have contributed to the growth of these networks with more organizations adopting them in recent years as well as the foreseeable future.

Business networks represent automation in two key areas: 1) simple, connected information-sharing (i.e., remittance data) between buyers and sellers, and, 2) direct, electronic links between enterprises that facilitate and speed transactions, like purchase orders and invoices, as well as communication, collaboration, and third-party services such as tax and foreign exchange (FX) services in support of the partner relationship.

Card-Based Payment Solutions (Purchasing Cards, Virtual Cards, Debit Cards and Prepaid Debit Cards)

Card-based payment solutions are the most widely adopted ePayment solutions, in part because of their ease of use, expanded flexibility, and market acceptance. Some advantages of using card payments over other forms of payment include: the ability to generate rebates from purchases, increased security, and speed of settlement.

Years ago, when the term “commercial card” was used, it most likely referred to one thing, a purchasing card (P-card). Today, however, the term can refer to a number of different B2B payment vehicles and types, including Virtual Cards, Debit Cards, Prepaid Debit Cards, and more. Card-based payment solutions are often supported with a robust program that can provide analytical information and spend intelligence that can be funneled into spend analysis efforts. Buying organizations can also use their cards to generate rebates, paid by card issuers, which increase as spending increases. Moreover, cards can be used as a financing mechanism that allow for an extra amount of “float” added into the payment process, which is another part of their appeal. Below is a high-level description of each of the major types of commercial card types.

- Purchasing Card (P-card)

Similar to personal credit cards, P-cards are physical pieces of plastic that an employee must have with them in order to make a purchase. They are used for work-related purchases of goods and services. P-cards, like consumer credit cards, can also be used for online purchases and travel-related expenses. P-card purchases can be restricted to allow only certain categories of spend (merchant category code or MCC), such as gasoline, hotels, or restaurants, and apply spend limits, as well.

- **Virtual Cards (V-card)**

A virtual card is just that – virtual. It is a credit card number that can be used by enterprises for certain types of spend but does not have a physical (plastic) card associated with it. Virtual cards have automatically generated, unique card numbers that are tied back to a real (permanent) credit card number. Banks (and other financial institutions) and card providers (American Express, Visa, MasterCard, etc.) issue virtual cards and provide tools and software to help their clients manage their usage. Virtual card programs offer many advantages, including helping to increase control, minimize the potential for fraud, and lower costs.

The credit card number used with virtual cards is temporary and valid for only a certain period of time, for certain transactions, and up to a certain dollar amount. Since the card number is temporary, it makes it extremely difficult for fraudsters and hackers to gain access to sensitive data and prevents future use of the card for another purchase.

- **Ghost Cards**

Ghost cards are similar to virtual cards in that there is no physical card issued for its use. However, the main difference is that ghost cards can be used over and over whereas virtual cards are generated for single purchases, specific dollar amounts and transactions, and expire after use or a set time period. Ghost cards are more common with larger organizations that want to track the spend of specific departments or to suppliers.

- **Debit Cards and Pre-Paid Debit Cards**

A debit card is a physical bank card that is used to replace cash when making a purchase. Unlike a credit card, the amount of the purchase is automatically and immediately transferred and deducted from the cardholder's account. Their use, while not widespread for business to business payments, is on the rise in certain categories such as with Gig Economy workers. In these cases, businesses typically provide prepaid debit cards in a specific dollar amount to freelancers as their form of payment.

Digital Wallets and Payment Applications

A digital wallet typically refers to an electronic device or online application or payment service that allows an individual to make an electronic payment or transaction. Similar to debit cards, digital wallets and electronic-payment services, such as Paypay, Venmo, Zelle, Apple Pay, and Google Pay, were used by individuals to pay businesses for goods or services. However, their usage has morphed and is starting to expand into both person-to-person transfers of money as well as ways for businesses to pay their contingent labor workforce. Before leveraging digital wallets and payment applications, it is wise to investigate the security and fraud-protection features that are offered to ensure enterprises are covered.

Supply Chain Finance

Supply chain finance (SCF) is not a payment method in the same way that ACH, wire transfer, and commercial cards are. Rather, SCF solutions use third-party capital – typically from a bank or other lender – to pay invoices at the point of approval rather than delay payment to the end of the agreed-upon payment term. This turns SCF into a financing mechanism where the supplier receives its money much more quickly than under normal conditions, and the buyer can delay payment longer than normal because they pay the third-party lender instead of the supplier. Historically, adoption of SCF has been greatest with larger organizations; it was primarily offered to their strategic supplier base and resulted in relatively low adoption. However, over the last 10 years, tight credit markets worldwide have sparked new interest in the technology and an expansion of their use.

The nature of supply chain finance creates something of a “win-win” situation for buyers and suppliers. In traditional factoring, suppliers sell their receivables to a third-party lender so they can be paid early. In SCF, often called reverse factoring, the credit risk in the transaction for the third-party financier is tied to the buyer, which typically has a better cash flow than their suppliers. This turns supply chain finance into an innovative way for large companies to help suppliers access credit and improve cash flow at below-market cost. This means both buyers and suppliers “win” – suppliers get paid early and buyers can delay payment without impugning a relationship.

Dynamic Discounting

Under traditional early payment discounts, such as 2/10 net 30, buyers would receive a discount if they paid by the tenth day of the billing cycle. If an organization’s invoice approval process took longer than 10 days, there was little incentive to pay any earlier than 30 days (or whatever the agreed-on payment term was). That changes with dynamic discounting, which opens up the billing cycle to more discount opportunities. Discounts are provided on a sliding scale in real-time, typically ranging from 0.01% to upwards of 2%, and the supplier is incentivized with discount opportunities up to the very end of the billing cycle – or whenever the buyer ends the discounting offer. Given the annualized return of these discounts, which can be up to 36.7% when dealing with 2/10 net 30 terms (note that different payment terms and/or sliding discount scales will result in different returns), the chance to receive any sort of discount and save money is attractive to a wide array of organizations. And additional benefit of dynamic discounting over SCF is that the discounts are achieved using the enterprise’s own cash instead of leveraging a third party into the process.

Leading B2B Payment Provider Profiles

The section highlights and evaluates prominent B2B Payment providers across the breadth of their solutions including AvidXchange, Bottomline Technologies, Mineral Tree, Paymerang, Tipalti, and Tradeshift. Each of these providers has been evaluated by Ardent Partners and is now an Ardent Partners' Certified B2B Payments Solution™.

The 'Ardent Partners Certified Solution' designation signifies that a solution provider has put their company and solution through a rigorous research and evaluation process that leverages qualitative and quantitative criteria, along with deep market knowledge in a specific Source-to-Pay area, and validates that the technology provider is a viable player certified for use in the specific market space.

AvidXchange

AvidXchange is a privately-held provider of cloud-based B2B payment, business network, and AP automation solutions with more than 1,500 employees. The Charlotte, NC-based company, with offices in Texas, New Jersey, Massachusetts, and Utah, was founded in 2000 and focused initially on solutions in the real estate industry. Since then, it has expanded to offer a complete slate of invoice- and payment-automation solutions, which include check, ACH, virtual card e-payment-processing, and a network-based invoice management solution. The company has a particular strength in serving mid-market enterprises doing business in North America. It offers API-based integrations to more than 140 different ERP/accounting systems. Avid's nearly 6,000 customers process more than 12 million invoices and \$140 billion across the AvidPay network on an annual basis via their cloud-based solution that covers the entire invoice-to-pay process. Avid's business network (the "Value Xchange" network) now includes almost 680,000 suppliers.

Bottomline Technologies

Bottomline Technologies ("Bottomline") is a publicly-traded B2B payment- and invoice-automation solutions provider with more than 10,000 customers worldwide. Founded in 1989, the company has grown in size to roughly 1,900 employees working at its Portsmouth, NH headquarters, with additional offices in the UK, Switzerland, Israel, and Singapore. Its cloud-based B2B payment platform, Paymode-X, processes \$200 billion in transactions annually and includes more than 425,000 vendors on the platform. Paymode-X serves as an intermediary between buyers and sellers on Bottomline's platform, where buyers can also be sellers and vice versa. The company has particular strength in serving small, medium, and large enterprises doing business in North America and globally.

MineralTree

MineralTree is a privately-held cloud-based invoice-to-payment automation solutions provider with over 2,000 mid-market and mid-enterprise companies, non-profits, and accounting firms across a wide-range of industries, as well as more than 25 financial institutions. MineralTree was founded in 2010 with a vision to transform AP. The company

has grown to over 100 employees working primarily at its Cambridge, MA headquarters. The company has particular strength in serving mid-market enterprises doing business in the United States. MineralTree offers native integration to popular ERP and accounting systems including QuickBooks, NetSuite, Sage Intacct, Sage 100, Microsoft Dynamics GP, and Xero, and universal connections to over 130 other systems. MineralTree's B2B Payments solution is part of a larger suite-based AP automation solution that begins with invoice capture and continues through invoice approval and payment authorization. The solution supports end-to-end, multi-currency capabilities and the ability to make B2B payments in over 130 currencies. MineralTree provides its solutions direct to businesses as well as to banks via reseller agreements. It currently processes millions of invoices and over \$8 billion in payments on an annual basis.

Paymerang

Paymerang is a privately-owned provider of cloud-based B2B payment-processing solutions that includes a B2B payment network with more than 200 customers across the United States. Paymerang was founded in 2010 with the intent to provide businesses with automated, electronic payment capabilities to close gaps and increase efficiencies within the B2B invoicing and payment process, and ultimately enable AP end users to focus on more strategic tasks. Paymerang has particular strength in serving mid-market enterprises doing business in the United States. The company has grown to over 130 employees working primarily at its Richmond, VA headquarters. It offers payment file solutions for over 40 ERPs. Paymerang's B2B payments solution is system- and bank-agnostic.

Tipalti

Tipalti is a privately-held, financial technology (FinTech) solutions provider for AP and accounting departments with a focus on delivering B2B payments solutions. The San Mateo, CA based company was founded in 2010 and currently has over 300 employees and offices in Vancouver, Canada, and Gilil-Yam, Israel. Tipalti has more than 1,000 customers across the globe, transacting more than \$11 billion annually to more than four million payees. It offers a cloud-based B2B payment solution, NetNow, and supplier self-service portal that provides customers the ability to select preferred payment methods, currency, and thresholds. Tipalti has particular strength helping mid-market enterprises doing business both domestically and globally, manage cross-border and mass payments at scale. Tipalti has pre-built integrations to ERP and accounting systems, such as NetSuite, Sage Intacct, and QuickBooks Online, as well as APIs to retrieve supplier payment data for real-time integrations to any ERP or accounting system.

Tradecraft

Tradecraft is a privately-held provider of cloud-based supply chain payment solutions and marketplaces with over 500 customers globally. Founded in 2010, the company has grown in size to over 1,000 employees working at its San Francisco, CA-based headquarters and offices across the US, Europe, and Asia-Pacific. Its cloud-based supply chain payment solutions process billions of dollars annually and has more than 1.6 million suppliers

enabled on its network. Tradeshift Pay and Marketplaces help buyers and suppliers digitize trade transactions, collaborate, and connect to over 100 third-party applications with a consumer-style experience. Tradeshift GO provides virtual card payment capabilities. The company has particular strength serving medium and large enterprises doing business both domestically and internationally.

Other Notable B2B Payment Solutions

This B2B Payments technology landscape report includes those solutions that have gone through an extensive review process and Ardent Partners certifies each of the above solutions for consideration and deployment at the enterprise level. The list of providers above is not, however, inclusive of the entire B2B payments market which includes dozens of distinct providers.

For example, there are pure AP providers such as **Esker**, **Medius**, and **Yooz**, and P2P providers **Corcentric** and **SAP Ariba** who have taken a partner approach to offering B2B payment capabilities. **Fexco** and **Transfermate** are examples of providers that specialize primarily in handling foreign payments. There are third-party platform solutions such as **Corporate Spending Innovations** which integrates directly into ERPs and P2P solutions to handle an organizations entire payment file. Card networks such as **American Express**, **Discover**, **MasterCard**, and **Visa**, who leverage their networks to enable virtual and physical card B2B purchases to enterprises on their network. Bankcard and payment processing solutions such as **Priority Payment Systems** and **WEX** who offer card processing services for banks, financial institutions and corporates. And there are also working capital finance “pure plays” such as **Raistone Capital** and **Greensill** who provide structured trade finance services in collaboration with banks, institutional investors, corporates and their supply chains.

B2B Payments Evaluation Criteria and Market Leaders

There are many different types of solutions and providers in the B2B Payments market, and selecting the right one for a business requires planning, collaboration, and vision, as well as a general understanding of a business and its (cash) needs and requirements both today and into the future. Below are the main categories Ardent Partners recommends using to evaluate and select B2B payment providers:

- B2B payment types
- Supplier onboarding and enablement
- Solution deployment and ongoing support
- Global capabilities
- Working capital management options
- Reporting and analytics
- Governance, risk and compliance

Ardent Partners recognized the market leading solution providers in this report based upon a rigorous, multi-modal research process that leveraged qualitative, quantitative, and deep market knowledge. Accordingly, Ardent analyzed the different providers to see how well the providers perform in each area. Readers are encouraged to use the discussion below to further guide their actions and decision-making.

B2B Payment Types

The adoption of B2B payment technologies universally has been hindered because of inertia and the fact that many suppliers refused to accept payment in any format except a paper check. It is these two factors – inertia and supplier reticence – that in many cases have delayed faster adoption of electronic payments across enterprises of all sizes. Perceptions are slowly starting to shift, however, as electronic payment technologies become more robust, and solutions that lower the barriers to accepting payment electronically are developed. Greater attention and emphasis on the “last mile” of the AP automation (due to the recognition that electronic payments help achieve a number of AP’s top priorities and enterprise-level goals) are contributing to a rapid increase in adoption. The variety of electronic payment options that exist today can satisfy and address the payment needs of every enterprise, both large and small.

B2B Payment types encompass the breadth and depth of payment options available for paying a supplier. The greater the variety and flexibility available, the greater the likelihood of supplier adoption and usage. Key factors in the evaluation include:

- The range of payment types supported including global payment capabilities.
- Costs and fees charged for each payment method and rebates available for both buyers and suppliers.
- Availability of payment reconciliation functionality including integration capability with accounting/ERP and AP systems.
- Ability to communicate with payees for payment status, issues, and inquiries.
- Approval rules and security measures in place for each payment method.

Payment Types – Market Leaders:

Bottomline Technologies excels in the depth and breadth of its B2B payment capabilities and is an advanced leader in the space. **Bottomline's** solutions are used by enterprises of all sizes, especially those that require a broader and more comprehensive solution. **AvidXchange, MineralTree, and Paymerang** do a thorough job of addressing the needs of the mid-market enterprises with a primary B2B payment focus in the United States. **Tipalti** also serves this mid-market admirably and excels with its international and mass-payment capabilities. The addition of credit- and virtual-card capability, expected to be available later this year, will round out **Tipalti's** offering and enhance its appeal. **Tradeshift** provides comprehensive B2B payment capabilities, although its approach differs from the others in that in addition to its own core capabilities such as Tradeshift GO for virtual card payments, it leverages a platform based ecosystem that features strategic partner apps in specific areas, such as global payments, to round out their offering.

Supplier Onboarding and Enablement

Technology and strategies are all well and good, but unless they are adopted and put into use the results are likely to be negligible. Supplier enablement is critical to the success of any ePayment transformation because suppliers are the ones who will have to receive payment electronically. Without listening to suppliers, who are most affected by the change, there is a high possibility that an ePayment initiative will not achieve the desired adoption and businesses will struggle to achieve their objectives. To this end, supplier enablement and onboarding is a critical component to any electronic B2B payments strategy. There needs to be a plan and resources and metrics in place that address gaining buy-in and enabling suppliers to receive payments electronically.

The majority of enterprises do not have the resources, systems, or desire, to conduct effective onboarding and ongoing support of suppliers. This is where B2B payment providers come in. Most, if not all, B2B payment providers include the technology, processes, and staff to help onboard suppliers, secure and maintain confidential banking and financial information, and provide ongoing support and supplier enablement. Key criteria to consider include:

- Types of supplier recruitment and enablement services and capabilities available.
- Ability to onboard 100% of suppliers regardless of payment type preference.
- Party responsible for managing supplier onboarding, enablement, and ongoing activities.
- Ability to manage ongoing supplier payment type preferences and required information.
- Capability to provide reporting to track suppliers onboarded, transacting, and preferred payment choice.
- Percentage of suppliers typically onboarded within six months? One year? Two years?

Supplier Onboarding and Enablement – Market Leaders:

The Ardent team identified solution and market leaders in the B2B payments space for inclusion in this report. All of the leading solution providers evaluated in this technology landscape performed above average with respect to supplier onboarding and enablement; however, how they accomplished this critical task varied quite a bit. **Bottomline** and **Tipalti** excel when it comes to supplier onboarding and enablement, offering robust online recruitment and enablement services, comprehensive reporting, compliance functionality, and a supplier self-service portal which enables suppliers to enter, maintain, and receive back critical banking, payment, and remittance information. **Tradeshift** leverages an easy, modern, social media-like approach to quickly onboard and enable suppliers to receive payments electronically by leveraging comprehensive online capabilities and programs. **AvidXchange** and **Paymerang** are effective at onboarding suppliers and managing the ongoing process by relying on an ‘in-person’ telephone outreach to onboard suppliers.

Solution Deployment and Support

The use of electronic payments has been above 50% in each of the last five years, as reported in Ardent Partners’ annual *State of ePayables* research reports. During this time period, B2B payments solutions have become user-friendly, accessible, affordable, and feature-rich. More and more electronic B2B payment solutions are being deployed, and the number of electronic payments is increasing, albeit slowly. As with any technology, there is a direct correlation between solution deployment and adoption, and the ultimate success of the initiative.

To achieve maximum value from B2B payments technology, it is imperative that enterprises deploy these payments solutions as widely and as quickly as possible, to include achieving high adoption levels among the supplier base. In order to accomplish this, B2B payment solution providers need to have deployment programs in place and support procedures and resources available to assist as needed. Key criteria to consider include:

- Average length of time for a B2B payments deployment.
- Targeted percentage of suppliers onboarded and transacting.
- Nature of support and training provided before, during, and after deployment.
- Availability of 24/7 support.
- Level of IT support required.
- Standard customer support SLAs offered.
- Availability of global support and languages for buyers and suppliers.

Solution Deployment and Support – Market Leaders:

Not surprisingly, the leading providers evaluated in this report scored highly in the solution deployment department, reporting on average 40%-to-60% of suppliers enabled and transacting electronically within the first six months, and between 70%-to-80% after twelve months. Those that offer outsourced check-printing services like **Paymerang**, **Bottomline**, and **AvidXchange** are able to address all B2B payments, both electronic and paper. One of the hallmarks of leading solutions is faster and easier deployment and rollout to

suppliers. All of the leading solutions highlighted in this report, on average, require minimal IT assistance both initially and in steady-state usage. Live support is typically available Monday to Friday from 8am to 8pm EST. Two noticeable exceptions are **Tradeshift** (with 24/5 support) and **Tipalti** (with extended hours Monday through Thursday and also on Sunday). **Tipalti** and **Tradeshift** provide their online portal in multiple languages, with **Tipalti** providing an impressive total of seventeen. **Tradeshift** is the only market leading company that provides live support in multiple languages.

Global Capabilities

More and more businesses are transacting globally every day; along with this growth comes the increasing need to be able to pay suppliers quickly and easily regardless of their location. Whether or not an enterprise operates on a global basis today and has a need to make international payments, chances are it will sometime in the not-too-distant future. Not all B2B payment providers offer global capabilities and it is critical to understand what functionality is available to your business should you need it. Key criteria to consider include:

- Type of global (international) payments supported.
- The number of countries where payments are supported.
- Ability to handle foreign currency exchange requirements local currency options.
- Capability to provide support on a global basis and languages supported.
- Dynamic presentment of country-specific payment requirements in a supplier portal.
- Restrictions on high-value, cross border payments.
- Ability to capture intermediary bank information support.

Global Capabilities – Market Leaders:

Tradeshift, **Bottomline**, and **Tipalti** all excel with their broad global competencies. With international payment capabilities, supplier enablement, ongoing support, and global compliance, they are clear leaders when it comes to addressing the needs of clients and suppliers with global needs and requirements. **Tipalti's** supplier portal global payments system supports 17 languages, and executes payments to 196 countries in 120 local currencies. Its portal can automatically vet and validate local bank routing details such as SWIFT and IBAN codes, screen OFAC blacklists, and more – all based on the payee's country and payment method. The company also provides cross-border remittance information FX currency conversion, and can process payments to multiple countries/currencies/payment methods in a single payment file. **Bottomline** has been providing global business payment capabilities for more than 30 years and the **Bottomline** Paymode-X solution enables cross-border payments to countries, and in currencies, across the globe. Its payment hubs support and enforce multiple global payment, messaging, and remittance standards such as SWIFT, SEPA, and ISO2022. The company also provides extensive local and global controls to help mitigate fraud, enhance security and ensure regulatory compliance with comprehensive sanction screening capabilities. As many of **Tradeshift's** clients are large multi-national corporations, their ability to provide and support many currencies, languages and payment types comes as no surprise.

Tradeshift has partnered with Transfermate and global BPO providers such as Cognizant, Capgemini, IBM and EXL, to extend their global payment capabilities and local support. During the supplier onboarding process and for every transaction, every biller and payer is automatically screened against internal **Tradeshift** controls and external global watch lists to ensure compliance, enhance security and mitigate fraud.

Working Capital Management

From invoices, payments, purchase orders, and various disbursements, the AP department is one of the largest cash distribution functions within an organization. This puts AP in an important position (maybe more than any other) to help create a better and clearer understanding of the company's total finances.

Many organizations already understand the important role AP can play in finance-related tasks, such as optimizing working capital management through the use of AP automation and B2B payment technologies. Executing with precision and pursuing responsibility in this key area of cash management allows the modern AP team to be a more strategic and value-added part of the organization. One of the biggest opportunities to impact working capital management lies in the automation of B2B payments. To begin, enterprises need to have visibility into the total opportunity of early-payment discounts across all invoices, and then look to enact plans that would control their capture, which should help improve cash flow. Next, enterprises need to enhance their disbursement procedures to optimize how funds leave the organization and the payment method utilized.

Optimizing cash flow through the use of B2B payment technologies enables AP to be a more strategic and value-added part of the organization. Key criteria to consider include:

- Types of early-payment discount management and SCF capabilities.
- The source of funding for early payments and working capital strategies.
- Ways suppliers are engaged, invited and enrolled in early payment and SCF programs.
- Who has responsibility for managing the supplier enablement process.
- Availability of working capital management ("WCM") support and training for buyers and suppliers.
- Type of reporting offered to track WCM program usage.
- Typical percentage of suppliers participating and payments addressed in WCM programs.

Working Capital Management – Market Leaders:

Tradeshift and **Tipalti** are clear leaders when it comes to providing working capital management capabilities, with wide appeal, to their clients. They offer comprehensive options for payment acceleration, dynamic discounting, and supply chain finance options for both self- and third-party funding. **AvidXchange** also showed strength with its self-funded Invoice Accelerator service, which offers early payments to suppliers by expediting eligible invoices.

Reporting and Analytics

An organization cannot manage what it cannot measure. Thus, visibility is critical to the success of any B2B payments initiative. Reporting and analytic capabilities are crucial in ensuring not only adoption and usage but also visibility into the benefits being received from the program. Having access to, and the ability to report on payments data is necessary to evaluate a programs' efficiency and effectiveness. Payment-data analytics enables enterprises to interpret raw information and provide meaningful intelligence that can be used to optimize business decision making within an enterprise. More specifically, reporting and analytics for B2B payments provides the connection between what is being spent and how and when it is being paid. Powerful reporting and analytical capabilities should be a component of any B2B payments solution, and a requirement for any accounts payable team seeking to optimize the value of their technology, business spend, working capital management, supplier relationships, and organizational profitability. Key criteria to consider include:

- Types of standard/out-of-the-box reports, dashboards, and payment metrics.
- Ability to customize analytics and reporting including changing views based on a user, role, department, and permissions.
- Capability to track, report, reconcile payments, and track rebates processed by payment type.
- Capacity to produce 1099, 1042-s, and other required reports.
- Availability to export data and reports as well as import third-party data.
- Ability to benchmark payment and cash management performance.

Reporting and Analytics – Market Leaders:

Bottomline Technologies excels when it comes to reporting and analytics. Its Paymode-X solution provides extremely strong and comprehensive payment and invoicing insights. It is also the only vendor to provide benchmarking data that leverages the transaction and community data drawn from \$200B in annual B2B spend on its network. **AvidXchange**, **Tipalti**, and **Tradeshift** all offer strong out-of-the-box reporting functionality. **Tipalti** is the only provider that can provide both 1099 and 1042-s tax reports while also calculating any necessary withholdings. **Bottomline** and **Tradeshift** provide reporting dashboards that clients can leverage to obtain graphical representations of their payment-related data. **Tradeshift**, through its open platform technology, is also able to leverage third-party app providers who specialize in data and analytics.

Governance, Risk, and Compliance

Governance, Risk and Compliance, or simply GRC, refers to a set of rules, processes, and systems that exist to ensure information is protected, laws and regulations are followed, and policies are observed. This strategy needs to extend to and include B2B payments. Governance, risk, and compliance are all interrelated and should not be addressed individually in a vacuum.

- **Governance** is the process of implementing policies, procedures, and systems that need to be followed as well as monitoring them to ensure that are followed as prescribed.
- **Risk** is the possibility of loss, while risk management is the process of understanding uncertainty and creating governance that addresses how best to minimize it.
- **Compliance** refers to the requirements for adhering to all internal business rules and policies as well as all local, state, federal, and foreign government laws and regulations.

Adherence to the myriad of external rules and regulations when it comes to B2B payments can be overwhelming if a company does not have resources or partner with a solution provider with the ability, knowledge, and systems in place to ensure their compliance. GRC needs to be handled collaboratively and all parts of an enterprise must be considered when developing a strategy. Understanding of impacted business processes and organizational objectives are critical. Ultimately, a strong GRC strategy helps organizations minimize exposure to threats, risk, and noncompliance with external regulations. Key criteria to consider include:

- Type of security controls in place to protect authorized user access, payment data, banking information and payee/supplier information.
- Security and process certifications and audits (Type 2 SOC 1 / ISAE 3402, Type 2 SOC 2, SAS70, SSAE 16, etc.) undergone and maintained.
- Processes in place to control potentially fraudulent supplier activity.
- Ability to provide an audit trail for all approval and payment activity.
- Capability to ensure tax compliance and required form (US and foreign) completion, and prevention of payments to enterprises and individuals on government lists including FACTA, OFAC, SDN, AML, etc.
- Ability to capture and validate tax information from a vendor (W9, W8s, VAT, TIN, etc.).
- How supplier information is captured and maintained (manually or via self-service supplier portal) and by whom.

Governance, Risk, and Compliance – Market Leaders:

When it comes to B2B payments, ensuring safe and secure transactions are paramount. All of the providers highlighted in this landscape were evaluated for their governance, risk, and compliance capabilities and all performed admirably. All have undergone security and

process certifications and state they will continue to do so regularly. Governance, risk, and compliance is an area of strength for **Tipalti**, which offers an impressive and leading combination of security controls, fraud prevention, and tax (form) compliance capabilities certified by KPMG. **Bottomline Technologies** also offers very strong and comprehensive GRC capabilities and functionality. **Bottomline** follows a rigorous authentication process for all companies enrolled to send and receive payments, ensuring all required documentation is obtained prior to transactions occurring and all payers go through the 'Know Your Customer' (KYC) process required by their settlement bank for payment origination services. **Paymerang** is the lone domestic-only payment provider to validate TIN information and automatically check payments to providers against OFAC watch lists.

Conclusion

As the COVID-19 pandemic sweeps across the globe, maintaining operations and the liquidity to fund them has become the top priority for enterprises around the world. And, while the pandemic has anointed specific winners and losers, the pervasive uncertainty that cuts across all industries and geographies ensures that cash, liquidity, and the ability to manage them well will be critical to all businesses over the next 12 months. For far too long, P2P solution providers focused on the front end of supplier enablement: the process of electronically connecting buyers and suppliers to exchange documents such as purchase orders ("POs"), purchase memos, and invoices, and using varying means of connectivity including EDI, XML, web forms, and others.

However, B2B payments are now being viewed in the context of the larger digital transformation that is occurring in business across North America. Digital transformation has evolved from an innovative trend in the late 20th century to a core competency in the 21st century. For most organizations, it has become a "must-have" capability that requires the investment of human and IT resources to staff and drive a truly digital enterprise. Paper processes of all kinds are being recognized for what they are: inefficient, costly, time consuming, error-prone, and with a high risk for fraud. It is difficult to thrive in 2020 while a business's payments strategy involves using technologies that are in some cases hundreds of years old.

A massive opportunity exists for buying organizations to reduce costs and improve efficiency, and in many cases, to also generate new revenue streams. The sheer size of the opportunity has resulted in huge investments and development by FinTech companies, credit card issuers, AP and P2P solution providers, and more, all looking to help enterprises implement more effective B2B payment strategies. Those AP and finance leaders who utilize smart strategies to automate the B2B payment process position their enterprises to survive and ultimately thrive in the turbulent times that lie ahead.

Appendix I

The Ardent Partners Advantage

Ardent Partners uses a rigorous, multimodal research process that leverages qualitative, quantitative, and deep market knowledge to produce its *Technology Landscape and Advisor* series. These reports contain inputs on usability, solution functionality, completeness of offering, future solution strategy, technology adoption, company presence and ability to execute, as well as company focus and vision. Ardent Partners' mission in delivering a *Technology Landscape* report is to provide straightforward, useful information that can help organizations make more educated technology decisions. As a result, this *Technology Landscape* is a valuable tool that practitioners can utilize during their technology evaluations.

Ardent Partners analysts have decades of experience in the B2B payments space, making them eminently qualified to publish research that informs and guides readers on how to plan and execute a B2B payments transformation strategy and which solution provider(s) can deliver the greatest value. For over a decade, Ardent Partners has delivered the highest-quality research and advisory support in the industry and directly influences thousands of global organizations each month. Ardent Partners is uniquely qualified to provide technology-assessment research for the B2B payments solutions marketplace. Its qualifications include:

- ▶ An unrivaled team of senior analysts with decades of B2B payments, accounts payable, and procure-to-pay ("P2P") ` specific expertise.
- ▶ A research library filled with performance and operational data on more than 10,000 companies.
- ▶ An active, engaged, and global community of AP, Finance, Treasury, and Procurement decision-makers.
- ▶ Industry leading network websites (including [Payables Place](#), [CPO Rising](#) and [Ardent Partners](#)) that publish insights and articles on B2B Payments, AP, P2P , Working Capital Management, Procurement, and the Future of Work.
- ▶ A clear and deep understanding of the fundamental technologies in B2B Payments, AP, and P2P, which allows Ardent's analysts to provide valuable, insightful, and actionable information.

Research Process

Ardent Partners used a rigorous, multi-modal research process that leveraged qualitative, quantitative, and deep market knowledge to produce the B2B Payments Technology Landscape. Ardent analysts leveraged seven different sources of data to produce their rankings and evaluations:

1. **RFI survey:** Each provider in this report completed a comprehensive survey (A “Request for Information”) that addressed the company including its size, customers, partners, and financial strength. The survey also captured details regarding the ePayables solution including, breadth of offering, current capabilities, roadmap, strategy, and adoption by customers.
2. **Briefing:** Each provider presented an interactive briefing presentation to the Ardent Partners analyst team.
3. **Product demonstration:** Ardent Partners’ analysts viewed an in-depth solution demo covering the Receipt, Process, and Payment phases of the ePayables framework.
4. **Analyst experience:** The analyst team responsible for authoring this report has collectively spent more than four decades working in the ePayables technology space.
5. **Market research:** Over the past decade, Ardent Partners has conducted an extensive series of market research studies that has enabled it to survey, benchmark, interview, and engage leaders from thousands of distinct AP operations. This working body of knowledge helps frame this report and others focused on the AP market.
6. **Market inquiries:** Each year, Ardent Partners takes hundreds of inquiries from AP and P2P professionals to discuss their overall technology strategies, technical and business requirements for automation, AP automation RFPs, and their opinions and views of the providers in the marketplace.

Appendix II

About the Author

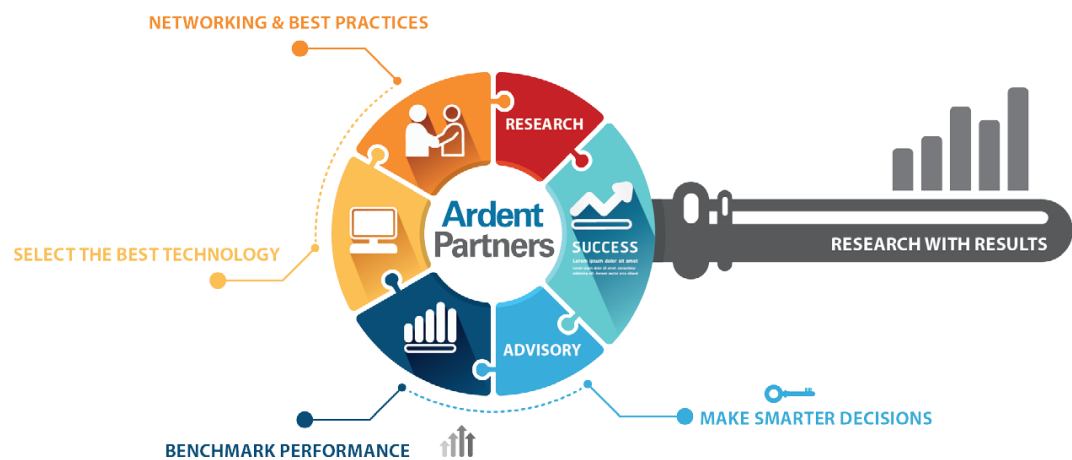


Bob Cohen is a Research Director and Vice President of Marketing at Ardent Partners. A seasoned professional with almost 20 years of experience helping enterprises transform their Procure-to-Pay operations. In recent years, Bob has become the industry's lead analyst covering AP and ePayables. At Ardent Partners, he heads up the ePayables practice which includes coverage of accounts payable, B2B payments, business networks, and travel and expense management. Prior to joining Ardent, Bob spent 12 years working as a Vice President at Basware, where he helped establish the firm's U.S. presence as a major player in the AP automation and Procure-to-Pay spaces. He has also worked at American Express where he enabled the commercial card giant better align its products and services with a continually evolving market.

Over his career, he has helped hundreds of AP and P2P teams achieve Best-in-Class performance via their use of ePayables, B2B Payments, P2P, and Business Network solutions. He is a sought after speaker having given hundreds of presentations at industry conferences, user group meetings, webinars, and customer-facing events. He is also the publisher of Payables Place, the news and research site for Accounts payable and Finance leaders (www.payablesplace.com). Bob holds a B.A. in Marketing from Bryant University and an M.B.A in Finance from The University of Connecticut. He welcomes your comments at rcohen@ardentpartners.com or 203.249.9779.

Ardent Partners: Research with Results

Ardent Partners is a research and advisory firm focused on defining, and advancing the supply management strategies, processes, and technologies that drive business value and accelerate organizational transformation within the enterprise. Ardent Partners was founded in 2010 by Andrew Bartolini. Ardent Partners actively covers the supply management marketplace and produces research to help business decision makers understand (1) industry best practices and how to improve performance & (2) the technology landscape and how to identify the best-fit solution(s) for their specific budget and requirements.



Contact research@ardentpartners.com if you have any questions about this report or our research in general.

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