**Commercial Payments Exchange (CPX)** 

## About Priority CPX

# What can Priority Commercial Payments Exchange do for your organization?



**Automation** - Maximize the automation of costly accounts payable (A/P) processes through the elimination of checks while creating significant efficiencies. According to an article in the Wall Street Journal, the cost of a check is between \$4-\$20 depending on an organization's internal processes. Therefore, every eliminated check represents cost savings.



**Revenue Creation** - Transition accounts payable to a revenue generator by earning a financial revenue share for converted A/P suppliers.



**Treasury Value** - Take advantage of Priority's expert consultation and benchmarking services to review your supplier payment terms. Our consultants can help maximize your organization's cash strategy.

## What is the **single** most important question that provides insight into an A/P opportunity:

Do you rely primarily on checks today to pay your suppliers?

The more reliant organizations are on check payments, the greater the need to automate. In the U.S., businesses still pay over half of their invoices by check according to a survey conducted by the Association for Financial Professionals. Checks are also costly to suppliers because they must wait for checks in the mail, pay for processing, and then wait again for the checks to clear. **Buyers can generate revenue while providing electronic reconciliation to their suppliers through the Priority CPX solution suite** and its commercial payments experts.

# What can be the financial impact for an organization?

The financial impact is based upon the size of an organization and its current payment and treasury management strategies.

The value is driven by a combination of automation, revenue creation, and process savings. Based on the estimated cost of a check, a company that relies heavily on checks and has a \$500M annual supplier spend file can realize a financial impact of approximately \$1M annually. This impact is achieved through efficiency savings and revenue generation in the form of rebate on transaction volume.

# How much does it cost to implement the Priority CPX Strategy/Solution?

Priority CPX consultation is 100% free of charge. In addition, the cost of delivering the automation benefit to an organization is \$0 hard dollars. Organizations partner with Priority and assign an IT Resource (for up to 10 hours) and a project manager. The project manager makes key decisions regarding the program structure and attends weekly calls to discuss progress until full implementation is achieved.

Priority will use your existing ERP/accounting system to push out a PIF (payment instruction file) to Priority Commercial Payments Exchange. There is no costly software to utilize our payment stack or platform.

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## What solutions make up the Commercial Payments Exchange (CPX) offering?

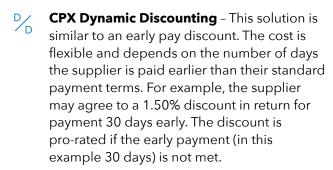
Some organizations already have an automated payment solution in place. However, most payment solutions are designed to address only a portion of an organization's payment needs. The Priority CPX solution suite is designed to address all payment needs and provide multiple products and services to meet those needs.



**Virtual Card** - Buyer sends a payment file of approved invoices for suppliers that agree to accept this payment method. A singleuse account number is passed to a supplier to process. The buyer receives a financial incentive via basis points on volume.



**CPX Direct** - For this solution, the buyer approves an invoice and sends an email notification to the supplier providing the invoice number. The buyer asks the supplier to process the transaction using the Priority card number that has been securely provided (supplier keeps the number on file).





**CPX ACH (+)** - Supplier agrees to a flat basis point (BP) discount with no commitment of early payment. The flat discount rate is negotiated based upon the supplier value proposition.



**Proxy Pay** - A solution that enables electronic payments in industries that only accept phone or web payments.



**CPX ACH (\$)** - This option is targeted for financial, rent, and any other supplier verticals where there is a flat transaction fee.



#### **Priority One (Commercial Visa) Card**

- This solution is a plastic-based card program that allows cardholders to

make authorized transactions for the purpose of purchasing, travel, and fleet management. The Priority One Card can be used for any or all of these functions and is supported by card and expense management systems.



**Check Processing** - Outsource manual check processing to Priority.

# What are the main steps to implement the Priority CPX solution suite?

The steps associated with implementing Priority Commercial products and services will depend on the recommended strategy for your organization. However, a recommended part of every strategy is to take advantage of Priority's Supplier Enablement services. The main steps associated with a supplier enablement review and campaign are:

- 1. Parties sign NDA (non-disclosure agreement)
- 2. Allow Priority CPX to access your business needs, goals and objectives.
- 3. Obtain 12 months of supplier spend files to allow for detailed analysis and expert consultation on CPX solution strategy that is best for your organization.
- 3. Confirm alignment on the recommended strategy.
- 5. Sign agreement.
- 6. Discuss integration steps and IT execution (simply to create output for payment file).
- 7. Identify sensitive suppliers that should be omitted from the payment conversion outreach.
- 8. Approve endorsement letters to be sent to your suppliers.
- 9. Priority begins the supplier campaign.