

Payments Technology Case Study



Payments technology provider develops supplier strategy

Background and Objectives

A recognized leader in payments technology wanted to grow its corporate payments business, which focused on converting buyers to virtual credit cards for their supplier transactions. The client creates value for buyers by removing check processes, reducing fraud, and making reconciliation easier. However, the client's value proposition depends on suppliers accepting VCC transactions, creating a major barrier to adoption. In order to drive check conversion, the client needed to develop a strategy to convince suppliers to accept VCC payments. The client engaged BCE to develop an unbiased, market driven view of supplier requirements and competitor conversion strategies, and to support development of a supplier conversion strategy based on these insights.

BCE worked closely with the client team at project start to understand work completed to date and capture internal hypotheses to test with market stakeholders. We then conducted ~50 in-depth interviews with CFOs, other key supplier stakeholders, and current and former employees of competitor organizations to:

1. Segment suppliers
2. Analyze supplier behaviors and VCC acceptance requirements
3. Benchmark competitors' approach to supplier network development
4. Identify levers the client could pull to convert suppliers
5. Develop supplier conversion strategies

Approach

BCE identified and analyzed company and transaction-level data to identify four distinct supplier segments, each with different decision drivers and priorities. We then collided these customer insights with competitive data to better understand how effective supplier engagement strategies could be structured. We directly tested client hypotheses about the impact that various potential programs and tools would have on supplier acceptance.

Our findings highlighted several gaps in the client's approach that were hamstringing its ability to convert the most valuable suppliers. This analysis drove development of a set of recommendations for driving acceptance and retention within the supplier base.

Recommendations

BCE then worked with the client to prioritize investments that address key gaps in target segments, ultimately recommending a series of technology, HR, and marketing investments to strengthen the client's value proposition, increase conversion and retention rates within target segments, and efficiently grow its supplier network. Recommendations included investment in back-end and front-end technologies to enable supplier facing strategies.

