

# The cheque is not in the mail:

## Why modern payment solutions make sense for Canadian companies

Canadian companies are going through a transformation. Countless organizations of all sizes around the country are evaluating their legacy processes and finding ways to apply digital solutions in order to improve productivity and become more competitive. This transformation includes both how they demand to be paid for their goods and services, and how they in turn pay for their own expenditures, which could include anything from manufacturing supplies to raw materials to marketing costs.

Like consumers, businesses are pivoting away from traditional payment methods such as cash, cheque and wire transfer, and are embracing payment solutions that better answer their needs. These include electronic payment methods, including commercial payment cards and ePayables.

In fact, recent research shows that cheques, which have historically been the main form of payment for many types of organizations, are quickly losing ground to these other payment forms in Canada. And in the U.S., it's reported that nearly 80 per cent of companies are transitioning their B2B payments from paper cheques to electronic payments.

### WHY THIS SHIFT?

The short answer is that as with other processes, companies want smart ways to become more efficient, more accurate, more protected, and more competitive when it comes to making and accepting payments.

They need solutions that will benefit both their top-line and bottom-line, and traditional payment methods simply aren't meeting those needs anymore. Here are a few reasons why commercial payment cards and ePayables can help companies gain ground in all of these areas.

#### Receive payments faster

Business happens in real time, but when payments are made using old-fashioned methods, funds can take up to 60 days to go through. Companies no longer willing to wait for payment are turning to digital processes that speed up processes and improve cash flow. Depending on payment terms, companies accepting commercial payment cards and ePayables can access approved funds in days versus months.

#### Improve accuracy

Efficiency isn't just about the speed of payment. It's an improvement in process for the finance team, resulting in increased accuracy. Finance teams can spend a significant amount of time labouring over manual processes when it comes to issuing or accepting cheques. This can include setting up payables and payment, conducting background checks for new customers, printing cheques, coordinating the mailing of cheques, recording remittance data, and performing cheque reconciliation. Any missed step or error in these procedures can result in inaccuracies that can be costly and time consuming for the company.

Paying with or accepting a commercial payment card or ePayable means that reconciliation is improved, and many of these processes are streamlined and even automated. This can result in a potential reduction of soft costs and the ability to free up employee time to focus on other, more profitable tasks.

### Enhance protection

Every cheque carries a prospect of non-payment or insufficient funds, and companies are no longer willing to take on that risk. Extending credit to potentially risky accounts means the possibility of a delay in payment or even the risk of having to deal with collections due to fraud. With commercial payment cards and ePayables, suppliers have confidence in dealing with all buyers, knowing that payment is made as soon as that transaction goes through.

### Gain a competitive edge

Perhaps the most significant reason that businesses are shifting away from traditional payment methods is the opportunities these new methods offer by way of boosting sales. With customers demanding more modern payment methods, it makes good business sense to listen and convert. Having the option to pay in the way that benefits them means that customers are satisfied, and more likely to stay loyal.

From a practical perspective, electronic payments including commercial payment cards and ePayables offer the option of higher credit limits, improving the potential for a buyer's purchasing frequency and dollar value to increase. And the availability of these payment options also improves a company's chances of being included in RFP selection processes, as many require the use of a commercial card. More opportunity means more revenue and a bigger piece of the pie from a competitive standpoint.

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## SO WHY WOULD ANY COMPANY STILL USE CHEQUES?

Even savvy businesses can default into a "good enough" mindset, worrying about issues that might not even exist when it comes to payment solutions. With misconceptions about pricing, complexity, and lack of demand swirling around payment solutions like commercial payment cards and ePayables, companies are losing out on significant benefits.

It is in every business owner's best interest to be informed about these benefits, consider the shift away from old processes and towards new solutions, and become equipped to accept and process commercial payment cards and ePayables payments. When embracing new payment options can positively move the needle on efficiencies, accuracy, protection and sales, this is one transformation companies can't do without.

**For more information on the benefits of commercial payment cards and ePayables, and how they could help your organization realize true business benefits, please call 1-866-943-8929 or email [b2b@moneris.com](mailto:b2b@moneris.com) to connect with an expert, or visit [moneris.com/b2b](https://moneris.com/b2b).**