

FORCE PROTECTION MIGRATES 45% OF PAYMENTS FROM CHECK TO ELECTRONIC & GENERATES ON AVERAGE \$15K/MONTH IN VIRTUAL CARD REVENUE

Background

Force Protection is a global leader in blast- and ballistic-protected armored vehicles and other survivability products with annual revenue of \$656 Million. The company, founded in 1997, is based in South Carolina and employs more than 1000 staff. The company's accounts payable department is centralized and supports three global business units.

Challenges

When this project started, the accounts payable department was paying 95% of its over 1500 vendors via paper check. The department of five staff members was manually printing, stuffing and mailing an average of 1,200 checks per month within North America and manually keying in details for the 5% of ACH payers. In-house payment processing was simply time-consuming and costly. Despite the desire to migrate away from checks, the team didn't have

FORCE PROTECTION

Industry: Manufacturer
Headquarters: United States
Environment: Centralized
ERP System: MAS500

SOLUTION BENEFITS DERIVED:

- Migrated 45% of payments to electronic payments
- Enrolled over 33% of its vendors to receive electronic payments
- Reduced costs
- Generates on average \$15k in revenue payments each month
- Achieved return on investment within 60 days of outsourcing
- Reduced FTE despite monthly payment growth
- Mitigated risk

the time or resources to contact each vendor individually and migrate them to ACH to help reduce costs and as a result remained in a check dominant environment. For Force Protection, vendor enrollment was the single biggest hurdle to overcome in order to migrate from checks to electronic payments.

Although skeptical that outsourcing could ease their pain and improve operational efficiencies and reduce costs, the accounts payable department decided to embark on a search for an outsourced payment solution that contemplated a move away from checks to ACH.



Solution

Force Protection selected SunGard's AvantGard PayNetExchange solution to help them process paper checks and migrate more vendors to ACH. Initially, the company outsourced payment processing to SunGard and all vendors were paid via check. However, a larger goal for the company was to quickly begin migrating vendors to ACH.

SunGard provided Force Protection with a comprehensive vendor enrollment program designed to help obtain and maintain the bank account details of their vendors and help migrate vendors to electronic payments. The methodology utilizes a proven approach based on best practices to achieve optimum results. This program targets top tier vendors receiving large volumes of payments per month and can deliver significant impact to an electronic payment initiative.

Vendor Enrollment Program

SunGard's AvantGard provided Force Protection with full services that included messages on check stubs, as well as calling and email campaigns to contact vendors and manage the entire enrollment process. Any vendor that acted on the invitation to enroll in the PayNetExchange Global Vendor Directory was asked to complete a simple online registration form via the PayNetExchange vendor web portal. Within one month, vendors began signing up for electronic payments.

SunGard's AvantGard PayNetExchange vendor enrollment team was tremendous. They were easy to work with and quickly and professionally began migrating our vendors from receiving paper checks to electronic payments.

Denise Perry,
Accounting Manager at Force Protection



Vendor adoption of ACH began to increase each month and Force Protection was surprised at how quickly it was ramping up. Additionally, they are now able to provide vendors with electronic remittance advice for each electronic payment created, in a format for potential importation to the vendor's A/R system. This has been an added benefit for Force Protection and its vendors.

In the first few months of outsourcing, SunGard introduced Force Protection to its new virtual card rebate program, which could help them earn rebates and the company decided to try it. The AvantGard PayNetExchange card payment solution is based on the use of virtual card technology, which generates single-use unique card numbers with set credit limits based on the company's payment instructions.

This approach safeguards each virtual card against unauthorized use and simplifies reconciliation. A company can earn rebates from check disbursements that are migrated to card payments based on a defined percentage of their total monthly spend. SunGard's vendor enrollment team began promoting the advantages of the virtual card program to Force Protection's vendors.

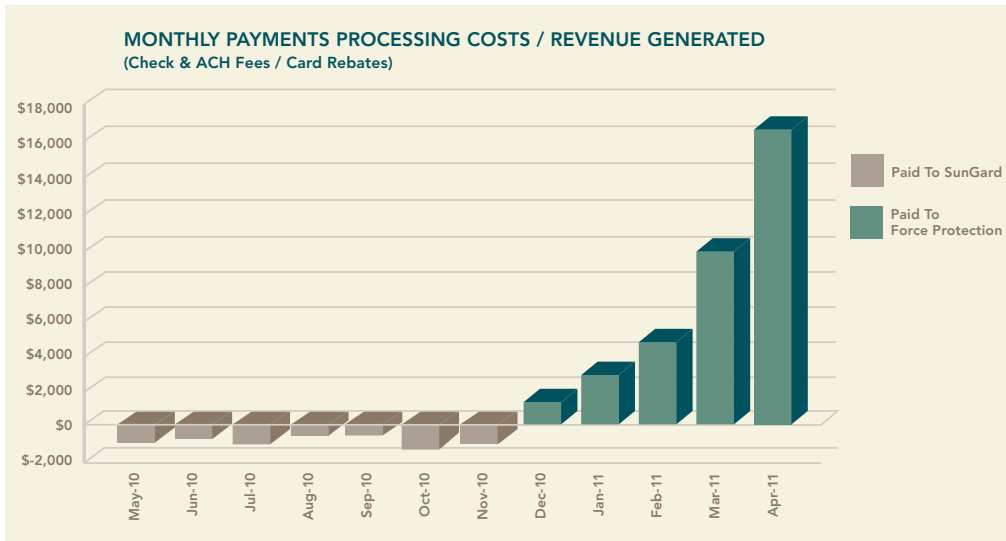
Results

Within the first 60 days of outsourcing their payments processes to SunGard, Force Protection achieved their return on investment (ROI). They have visibility into all payment transaction information, which is stored in a secure archive in AvantGard PayNetExchange and can be viewed online. The company has also improved vendor relations by providing vendors with remittance information that they can import into their systems.

While the tangible ROI and bottom line gains such as cost reduction are easy to point to as the main driver for moving away from paper checks, the benefits Force Protection gained in other areas including revenue from rebates, the ability to process more payments with less staff, and reductions in risk make the switch equally as valuable.

With the help of SunGard's vendor enrollment team, Force Protection has migrated 45% of our payments to electronic payments with over 33% of our vendors in a little over a year. In addition to reducing costs, we have been able to earn on average \$15k per month in revenue thanks to rebates from the virtual card program.

Denise Perry,
Accounting Manager at Force Protection



We were pleasantly surprised how quickly we were able to reduce costs, improve efficiencies and achieve a return on our investment within 60 days. Additionally, the rest of the company was impressed that the accounts payable department went from a cost center to a revenue generator with our use of SunGard's AvantGard PayNetExchange virtual card program.

Denise Perry,
Accounting Manager at Force Protection

ABOUT AVANTGARD PAYMENTS

The AvantGard Payments solution offers a unique payments suite for streamlining the processing of payments helping to improve routing, connectivity and integration; reduce transactional and operational costs; increase security; and improve the management of payment information, exceptions, and statement flows.

ABOUT AVANTGARD

SunGard's AvantGard is a leading liquidity management solution for corporations, financial institutions and the public sector. AvantGard provides chief financial officers and treasurers with realtime visibility into cash flows and increased operational controls around treasury, receivables and payments management. The solution aggregates data for a single view of cash, drives productivity through automation, and fosters collaboration between trading partners. For more information, visit www.sungard.com/avantgard.

ABOUT SUNGARD

SunGard is one of the world's leading software and technology services companies. SunGard has more than 20,000 employees and serves 25,000 customers in 70 countries. SunGard provides software and processing solutions for financial services, higher education and the public sector. SunGard also provides disaster recovery services, managed IT services, information availability consulting services and business continuity management software. With annual revenue of about \$5 billion, SunGard is ranked 434 on the Fortune 500 and is the largest privately held business software and IT services company. Look for us wherever the mission is critical. For more information, visit www.sungard.com.