

 PROCURA<sub>LLC</sub>

White Paper

 **Purchase** ONE

*The Smart Way to Automate, Purchase, and Pay*

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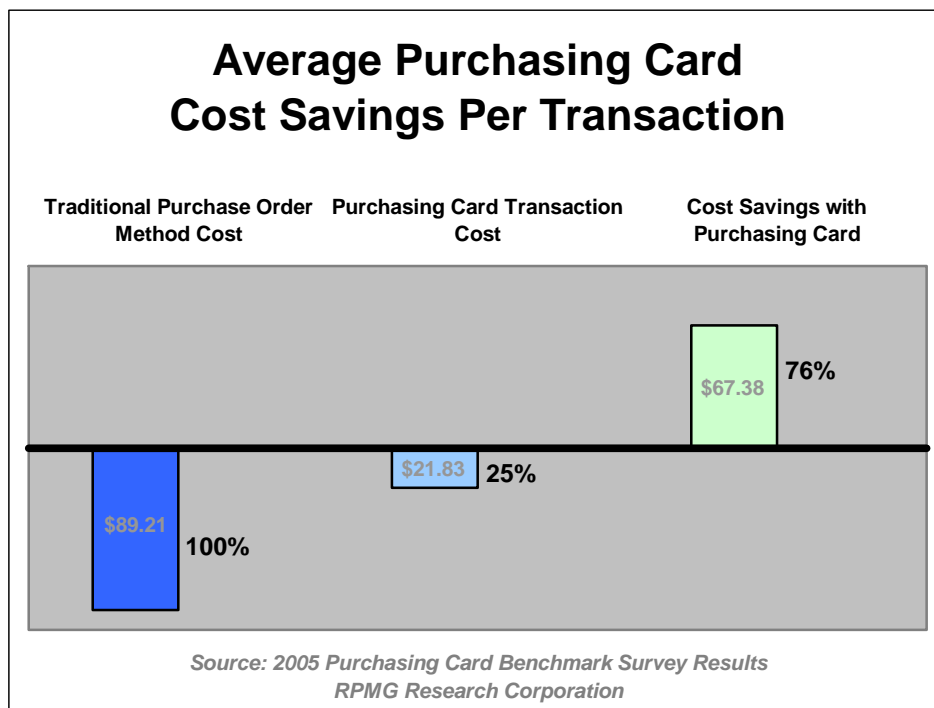
## Executive Summary

Your Credit Union can positively impact its bottom line, and in turn, that of your members, by implementing Purchase One. Purchase One is the cutting-edge Purchasing Card program created for Credit Unions, by Credit Unions.

Implementing Purchase One will provide an opportunity for your Credit Union to:

- Increase Operating Efficiency (average 76.1% cost savings per transaction<sup>1</sup>)
- Earn 0-100 bps Rebate Based on Total Purchase One Spend
- Optimize Cash Flow - increase float on capital by up to 35 days
- Improve Purchasing Controls
- Automate Transaction Reconciliation/Financial Systems Integration
- Sharpen Management Visibility into Spending Activity

Your Credit Union may also dramatically increase rebate revenues, enhance your business product line, and better compete with banks by reselling Purchase One to your Business Members, Sponsors, and SEGs.



<sup>1</sup>RPMG Research Corporation, "2005 Purchasing Card Benchmark Survey Results", 2005

## Opportunity Overview

Procura, LLC, partnered with Works, will provide Purchase One, the Credit-Union-issued Visa Purchasing Card program plus web-based technology to your Credit Union. Your Credit Union can pay many of your Visa-accepting vendors via Purchase One instead of checks or ACH.

By replacing current purchasing and payment processes with Purchase One, your Credit Union may cut costs by eliminating costly checks, reducing invoice processing, and automating reconciliation, while maximizing float time on funds, and increasing purchasing controls and management visibility into spending. Procura also provides an opportunity for your Credit Union to earn up to 100bps on payments made to your vendors via Purchase One, based on program spend volume.

Your Credit Union may use Purchase One for any or all of the following:

- Procurement
- Accounts Payable Invoice e-Settlement
- Travel and Entertainment

Your Credit Union may also opt to provide Purchase One to your Business Members. Procura will aggregate spend across all of your Purchase One programs, and your Credit Union may share part of your aggregated rebate earnings with your Business Members that use Purchase One.

## Advanced Purchase One Features

### E-Purchasing System with Active Card Control™

- Issue \$0 cards, or low-credit-limit cards. Exact funds apply instantly to card through the Visa network upon appropriate CU signor's approval of electronic cardholder Request.
- Supports multi-level purchasing approval hierarchies.
- Makes purchasing approvals electronic and fast.
- Increases purchasing controls and audit trail.
- Requests + need-based dynamic card funding eliminate need for petty cash.

### Automated Accounts Payable Invoice Settlement with Active Card Integration™

- Automatically settle payment of invoices from your A/P system electronically, through the Visa network.
- Pay A/P vendors on payment terms date or earlier; yet cash doesn't leave your account until you pay your Purchase One bill - up to 35 days later.
- Capture large/recurring payments to strategic vendors on Purchase One program; remittance advice is automated via email or fax
- Increase program rebate potential and keep A/P controls in place where needed.

### Enterprise-Level Travel & Entertainment Features

- Create online expense reports with per-diem monitors.
- Automated reconciliation eliminates manual journal entries.
- Daily transaction feed eliminates last-minute reconciliation.
- Includes out-of-pocket expense reimbursement support. Approved-reimbursement requests can be exported for import into some A/P or payroll systems.
- Automates T&E policy enforcement for certain expense categories (e.g. Purchase One can automatically prompt cardholder to name business purpose of meal and attendees; prevents signoff without entry).
- Delayed Restoration of Funds facilitates timely submission of traveler expense reports.
- Workflow enables online managerial and accountant review of cardholder expense reports.
- Issue \$0 cards to infrequent travelers; use electronic managerial pre-trip approval to instantly and automatically add necessary funds to card.
- Includes Visa Travel Accident & Car Rental Damage Insurance.

## Basic Purchase One Features

### Automated Reconciliation Integrated with Financial Systems

- Custom G/L interface eliminates manual journal entries (financial system must be able to accept import files).
- Default allocation mappings automate transaction coding.
- Post-purchase transaction-review workflow allows multiple levels of review/reallocation.
- G/L Assistant provides pull-down menu of available G/L values & descriptions.
- Automated validation checking prevents incorrect coding.

### Timely Reporting

- Daily transaction feed from Visa ensures up-to-date visibility for risk minimization; better budgeting, planning.
- Access 7 years' history for audit purposes (2 years online; 5 years archived).
- Provides a wide variety of standard reports including spend reports, audit reports, program dashboard, and budget monitors.
- Create/save/share configurable reports for additional reporting needs.
- Captures enhanced Visa Purchasing Card data.
- Give auditors full or scoped reports-only access.

### Visa Purchasing Card Program with Realtime Online Technology

- Control card merchant limits, single transaction limits, and credit limits in real time.
- Web-based - no hardware or software to implement or maintain.
- 30-day billing cycle + 5 additional days to pay.
- Includes Visa Corporate Liability Waiver (\$100,000 per cardholder) coverage for internal-employee misuse, in addition to protection from external fraud.
- Your Credit Union logo on Purchase One cards.

## Implementation

Purchase One requires no hardware or software implementation. Implementation timeframe varies, but is typically 30-60 days. Upon completion of contract signing and processing by your Credit Union, WesCorp, and Works:

1. Implementation engineers are assigned to CU.
2. Pre-implementation kickoff call is scheduled to confirm objectives, strategy, and target go-live date, and to schedule weekly team conference calls.
3. On weekly calls, team reviews implementation workbook, in which CU provides data for Works to configure Purchase One application.
4. Works builds & tests program in QA environment.
5. CU reviews/signs off on program prototype.
6. Works builds mapper for G/L import.
7. Works deploys program to production environment and orders cards.
8. Works training for administrators, accountants, and CU trainer.
9. CU issues cards to cardholders.
10. Program go-live.

## Account Development Program

Procura and Works partner to provide the following Account Development Program as an optional resource for Purchase One member Credit Unions that are committed to growing their programs:

### 10 Steps to Success Plan

1. Contact Procura for Account Development Manager assignment.
2. Account Development Program Kickoff Call
  - a. Program Administrators & Executive Sponsor attendance preferred
  - b. Describe program: objective; program elements
  - c. Program Administrators & Executive Sponsor commit/no commit
  - d. Schedule regular conference calls
3. Vendor Analysis
  - a. VisaMatch
  - b. WorksMatch
  - c. ACIMatch (optional – for CUs using ACI only)
4. Vendor Analysis Review
  - a. Executive Sponsor attendance preferred
  - b. Compare current progress with initial implementation plan
5. Set Spend Volume/Check Reduction/Invoice Reduction Target(s)
  - a. Set Year 1 Target
  - b. Set Quarterly Target
6. Account Development Project Plan
  - a. Account Manager prepares & presents
  - b. Identify target vendors
  - c. Instruct CU on tracking/reporting actual vs. targets
7. Customized Account Development Toolkit
  - a. Cooperative Account Development process
  - b. Purchase One Vendor Payment Support Materials
  - c. Coaching: Credit Union vendor notification strategy/procedure
8. FastTRACK (for CUs using ACI only)
  - a. Customized vendor-notification service
  - b. Account Manager will contact/notify subset of Credit Union's vendors in increments of 10 and gather necessary data
  - c. Upon successful vendor notification, Credit Union to begin vendor payments via Purchase One
9. Annual Executive Review Teleconference
  - a. Review program statistics
  - b. Compare program actuals with targets
  - c. Identify next growth opportunities
10. Annual Vendor Data Reanalysis

## Rebate Schedule

Procura, LLC shares revenue with your Credit Union in the form of a rebate based on program quarterly spend per the following rebate schedule. Rebate level applies to total volume at each threshold (total purchases less any outstanding, credits, disputed items, charge-offs and/or fraudulent transactions). Rebate is paid within 60 days of quarter-end.

Quarterly Net Spending Ranges	Basis Points
Less than \$625,000	10
\$625,000 to \$1,249,999	35
\$1,250,000 to \$2,499,999	65
Greater than \$2,500,000	100

## Complimentary ROI Analysis

Your Credit Union may provide 12 months' non-payroll A/P vendor data to WesCorp. WesCorp will compare it to vendor data within Visa's database. The VisaMatch will show which vendors, according to Visa, have accepted a Visa payment in the past. Works will then compare the vendor data against its own database. All transactions within the Works database have not only accepted a Visa transaction - they collected it in the form of a commercial Purchasing Card transaction from a business client of Works. These vendors represent the "low-hanging fruit" - those that most readily accept Purchasing Card payment. From the WorksMatch, we can derive a conservative estimate as to your Credit Union's Purchase One program opportunity, in terms of not only rebate-earnings potential, but also your potential process-efficiency cost savings.

### SAMPLE WorksMATCH (TM) Summary

W (High-Potential Merchants) = Merchants known by Works to have accepted commercial card payment.

V (Possible Merchants) = Merchants known by VISA to have accepted commercial card

TBD (Not-Yet-Evaluated Merchants) = Merchants for whom neither Works nor Visa has historical data.

X (Highly-Unlikely Merchants) = Duplicates, extremely large total spend or average ticket, charities, individuals, fiduciary expenses, etc.

### SUMMARY

Description	Code	Spend	Merchant Count	Transaction Count	Avg Ticket	Avg per Merchant
High Potential Merchants	W	\$ 5,074,664	116	1,958	\$ 2,592	\$ 43,747
Possible Merchants	V	\$ 10,108,045	263	3,803	\$ 2,658	\$ 38,434
Unknown Merchants	TBD	\$ 8,678,342	209	4,251	\$ 2,041	\$ 41,523
<b>Totals</b>		<b>\$ 23,861,051</b>	<b>588</b>	<b>10,012</b>	<b>\$ 2,383</b>	<b>\$ 40,580</b>

### TOP 25 WORKSMATCHED VENDORS (based on annual volume)

Vendor Name	Annual Amount	Transaction Count	ZIP Code	WORKSMATCH
CDW DIRECT LLC	\$ 1,086,160	305	60,675	W
DIEBOLD INCORPORATED	\$ 960,842	492	15,264	W
SIEBEL SYSTEMS MAINT	\$ 632,521	13	80,217	W
CORPORATE EXECUTIVE BOARD	\$ 607,475	12	28,296	W
SPRINT	\$ 369,544	30	28,296	W
DE LA RUE CASH SYSTEMS INC	\$ 250,179	9	30,368	W
CORPORATE EXPRESS	\$ 103,535	12	60,694	W
IBM	\$ 99,851	27	15,264	W
NEXSTAR	\$ 88,991	16	63,141	W
DHL EXPRESS INC	\$ 68,849	87	77,210	W
NCO FINANCIAL SYSTEMS INC	\$ 62,850	4	44,193	W
CUES	\$ 57,676	84	28,272	W
VERIZON WIRELESS	\$ 55,701	11	75,266	W
CARFAX INC	\$ 41,794	13	28,258	W
BELLAGIO	\$ 40,633	38	27,609	W
RENDER AD SERVICE	\$ 40,026	5	30,075	W
BFPE INTERNATIONAL	\$ 28,998	2	21,263	W
WRIGHT LINE INC	\$ 28,132	9	60,055	W
OFFICE INTERIORS	\$ 27,733	2	28,204	W
XEROX	\$ 22,964	17	28,258	W
INSIGHT AMERICA	\$ 19,500	2	80,021	W
IPS SENDERO	\$ 18,813	27	80,217	W
STANDARD REGISTER	\$ 18,473	4	60,693	W
MORGAN & COMPANY	\$ 17,725	61	27,609	W
SECURITAS SECURITY SERVICES USA INC	\$ 16,900	26	30,384	W

## Program Providers

Procura, LLC is a Credit Union Service Organization comprised of the following organizations:



Procura, LLC partners for Purchase One are:



Put the power of Purchase One to work for you.

Call today:

(512) 346-6666  
[amanda@wescorp.org](mailto:amanda@wescorp.org)

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