adflex Digital Payments

Case study

Transforming buyer and supplier relationships through commercial card automation and enhanced data with DXC Technology

Introduction

DXC Technology delivers mission critical IT services that move the world. Its technology provides outsourced procurement to corporate buyers and manages their clients' Accounts Payable activities. It also helps enterprises modernise IT, perfect data architectures, and deliver security and sociability across public, private, and hybrid clouds.

In 2023, DXC Technology needed a new B2B payment processor that could offer its clients easy access to buyer-initiated commercial card payments and advanced features such as level 3 data with transactions that enhance reconciliation and tax reclaim.

Following endorsements from two of its clients' commercial card issuers, DXC Technology's search led to digital payment specialist Adflex.

What is Level 3 data?

Level 3 data is used to aid with purchase control and reconciliation. It enables line item detail with commercial cards, which cuts the lengthy process of raising a Purchase Order (PO) by traditional payment methods such as bank transfer. Level 3 data can provide buyers with details of transactions, including invoice numbers, a breakdown of the products/services supplied and invoice values. It is also tax evident in some territories.

The challenge

DXC Technology had to find a new payment processor within a tight deadline. Failure to find the right partner would mean a world of uncertainty for its corporate clients. Accounts Payable processes were built around card usage, so its main aim was to ensure supplier payments would be made on time.

In many cases, orders were ad hoc, and onboarding tail-end spend to card had been a challenge due to costs, a lack of supplier benefits, and limited resources to speak with suppliers to propose a payment process that worked for both parties. To add more complexity, DXC Technology had two corporate clients changing card issuers at the same time it was implementing new payment processes.

Meanwhile, smaller suppliers were struggling with the burden of acquirer KYC (Know Your Customer) requirements and application processes, taking up considerable time and resources to manage, something that could easily be outsourced.

Enabled supplier
"As a result of payment system changes, our invoices became overdue, and cashflow became a concern. However, with Adflex's assistance, we were able to quickly locate an acquiring bank that offers preferential rates for commercial cards and successfully set up a Merchant ID to receive payment."

Why did DXC chose Adflex?

DXC Technology explored offers from several providers and determined that Adflex's ability to deploy agile, value-added services alongside an acquirer agnostic platform capable of offering suppliers more choices and better rates offered stand-out benefits that would help take its business to the next level.

Chris Bull, Category Manager, DXC Technology: "We needed a service provider that could adapt to our needs quickly and meet all our requirements without fail. This was imperative to gain the approval of our corporate clients.

"Adflex listened to us. This often gets overlooked, but our Relationship Manager worked closely with us from start to finish, taking time to understand what our clients need today, and what previously did or didn't work for them.

"Adflex subsequently delivered on its promises and has consistently demonstrated responsiveness and flexibility in accommodating any changes or updates requested."

DXC Technology found that Adflex's B2B commercial and transaction knowledge was second to none and that it could also use more payment data to further enhance its procurement offer. This was a major reason DXC Technology chose Adflex: its ability to provide buyer-initiated level 3 transaction data, which offered significant added value to its clients like Leonardo UK, a leading aerospace and defence company.

Adflex services

DXC Technology elected to use two Adflex services. The payment technology called **straight-through processing** and **supplier enablement** to support the adoption of the new payment process.

What is straight-through processing (STP)?
Replacing traditional payment methods like BACs or providing a credit card number over the phone or by email, STP processes card payments on behalf of the supplier straight to its business bank account. This means the supplier does not handle card details, eliminating manual processing and additional gateway fees.

Introducing new technology to AP
As a third party in the invoice approval and payment process, DXC Technology also needed manual intervention and control over when payments would be executed. Adflex deployed its STP portal, which can be accessed via any device with an internet connection for real-time authorisation.

The process for DXC Technology was then incredibly straightforward: the team accesses the buyer's profile in the payment portal, selects the supplier they wish to pay, and approves the invoice details used for level 3 processing. The level 3 data is processed with the payment and delivered to the buyer's transaction reports, provided by their card issuer and scheme.

Reduced PCI-DSS scope and automated reconciliation
No card details are shared or handled by the buyer or supplier, greatly reducing PCI-DSS scope. The buyers and DXC Technology have access to online reporting, and the supplier receives a remittance with every payment to automate AR reconciliation.

Supplier enablement

Getting the programme up and running quickly was vital. In five steps, Adflex was engaged with suppliers and assisted DXC Technology and its corporate buyers with payment system migration.

Step 1: Adflex completed AP analysis to identify the order and priority of targets.

Step 2: Adflex prepared a message for targeted suppliers, allowing DXC Technology to communicate the request with a clear call to action.

Step 3: Adflex hosted co-branded microsites for the buyers to promote the request and support online registration.

Step 4: Adflex utilised existing merchant IDs or onboarded suppliers to their acquiring network, supporting competitive rates and prompt settlement.

Step 5: DXC Technology utilised Adflex tools for real-time status reports, presenting the onboarding progress.

The result

Before Adflex, DXC Technology produced manual reports summarising spending for its corporate clients. By implementing level 3 data with all transactions, buyers now receive a payload of information such as service description, invoice number, and an electronic invoice for tax reclaim. This data is flown through Adflex and the card scheme (Mastercard or Visa) straight to the buyers' card issuer.

Using Adflex, DXC Technology and their corporate clients have been able to experience multiple benefits, including:

Enhanced level 3 transaction data with all payments

Level 3 data enables quicker and more efficient transactions, helping deliver better cashflow, greater transparency, business stability, and better long-term relationships between buyers and suppliers.

Prompt supplier payments

On behalf of its clients, DXC Technology is now using straight-through processing (STP) from Adflex, flipping the traditional payment process on its head. STP allows buyers to automatically 'push' commercial card payments to the supplier, instead of the supplier needing to initiate the payment via a payment gateway, such as a Virtual Terminal.

This reduces the cost of acceptance and can be used to automate transactions, removing added friction from the payment process, and speeding up settlement. Meanwhile, suppliers that can offer buyers a choice in preferred payment methods are removing further friction from the payment process and fostering strong relationships crucial to repeat business.

Making B2B transactions simple

Corporate buyers expect the same simplicity they get when making consumer purchases. This can be achieved through more distinctive services like straight-through processing, which can help turn cards from cost centres into revenue centres with great visibility, optimisation, and control.

DXC Technology has now partnered with Adflex, allowing them to promote innovative commercial card usage to all corporate buyers and their suppliers in 2024 and beyond.

"Working with DXC Technology and their clients, we successfully deployed an STP service that simplifies commercial card payments, reconciliation and streamlines supplier acceptance. The DXC team now confidently utilises a payment tool that provides enhanced data to their corporate client's ERP system via Mastercard and Visa commercial cards. This is a testament to our combined commitment to efficient and prompt supplier payments."

Ben Thurlow, B2B Issuance and Acceptance, Adflex.

adflex Digital Payments

Helping businesses to issue and accept digital payments

Ready to unlock your commercial card potential?

Contact us today:

www.adflex.co.uk
sales@adflex.co.uk