

Online Invoicing & Payments

Annual Survey 2016

Introduction

As the most trusted open business network, Viewpost is empowering businesses of all sizes with electronic invoicing and payments that enable real-time cash management for anytime operating decisions.

Recently we set out to check the pulse of the migration to electronic payment processes in the business-to-business marketplace. We surveyed entrepreneurs, business owners and finance professionals across a range of industries, and we found some convincing results.

Our survey discovered that electronic payments is the preferred method of payment by a majority of professionals and is close to replacing paper checks as the number one method of payment for businesses—highlighting a migration that is helping to solve age-old problems with using antiquated payment solutions.

Still, despite the benefits of electronic invoicing and payment methods—including 24/7 access to transaction data—our survey shows that traditional paper-based processes remain a painful part of everyday business.

Quite simply, businesses are in need of better information and deeper visibility when it comes to cash flow management.

Let's have a look at the data.

Summary of Findings

State of Payments

Percent of Payment Methods

- 37%** Check
- 35%** Electronic Payment
- 16%** Credit Card on File
- 6%** Cash
- 4%** Debit Card
- 2%** Wire Transfer

Electronic Payments

- 73%** Have embraced some form of electronic payments
- 52%** Prefer paying electronically to any other form of payment, including paper checks and credit card
- 64%** Want to move to electronic payments to: Make bill payment quicker and more efficient (#1 reason)
- 52%** Think electronic payments is critical to running the business
- 79%** Indicated that it's Very Important/Important to cash management to have immediate electronic deposit of client payments

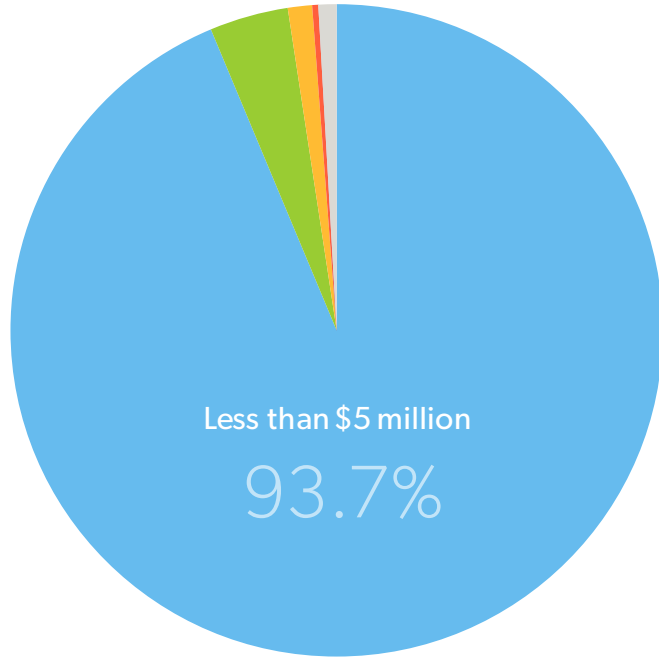
Tracking & Control

- 34%** Say visibility into status of payments helps them perform their job with confidence
- 38%** Wish they could track payment like a FedEx package when told "the check is in the mail" (#1 answer)
- 80%** Believe that securely connecting their business bank account with invoicing and payment processes would give them better control of cash flow, although they agree it's a pipe dream
- 81%** Indicated that it's Very Important/Important to know when invoices are received, approved, and paid

Question 1

How big is your company in terms of revenues?

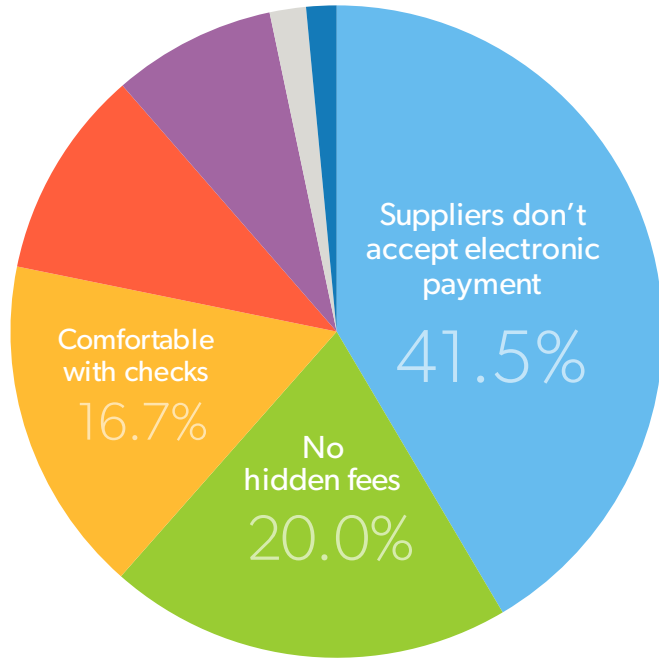
(select one)










	Response Percent
● Less than \$5 million	93.7%
● Between \$5 million and \$10 million	3.9%
● Between \$10 million to \$50 million	1.2%
● Between \$50 million to \$100 million	0.3%
● Between \$100 million and \$500 million	0.0%
● \$500 million and above	0.9%

Question 2

Why, if at all, do you still want to write paper checks for your business? (select one)

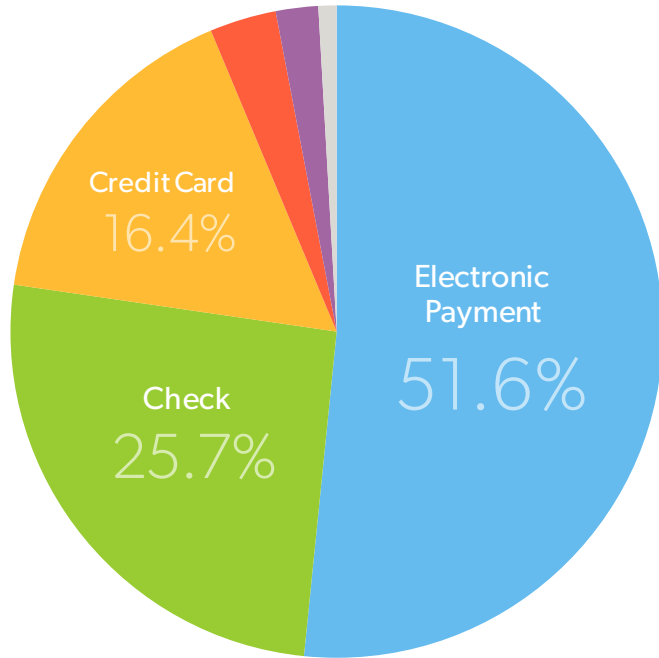


	Response Percent
 Some of my suppliers don't accept electronic payment	41.5%
 There are no hidden fees	20.0%
 I'm comfortable with checks	16.7%
 Paper checks create a better paper trail	10.4%
 It is easier to write checks	8.1%
 I like the check float when I'm short on cash	1.8%
 I don't trust technology	1.5%

Question 3

What is the preferred method of payment for your business?

(select one)

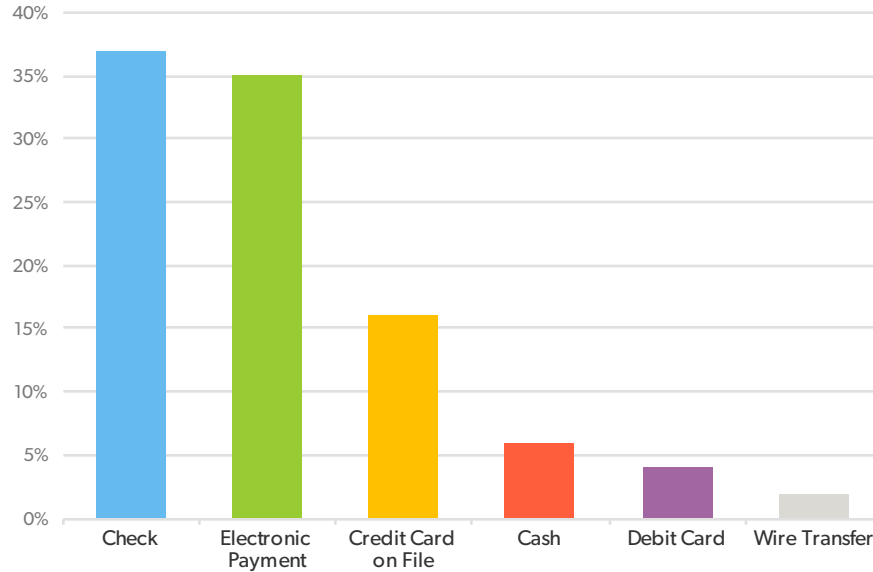


	Response Average
Electronic Payment	51.6%
Check	25.7%
Credit Card	16.4%
Cash	3.3%
Other	2.1%
Business Wire	0.9%

Question 4

What percentage of your business payments are made by...?

(must add up to 100% — enter 1 to 100)

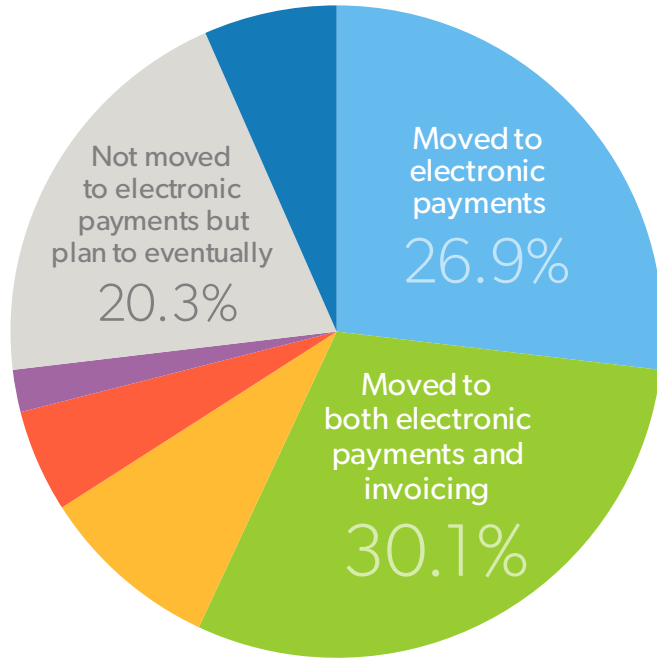


	Response Average
● Check	37%
● Electronic Payment	35%
● Credit Card on File	16%
● Cash	6%
● Debit Card	4%
● Wire Transfer	2%

Question 5

Describe your approach to sending electronic payments.

(select one)

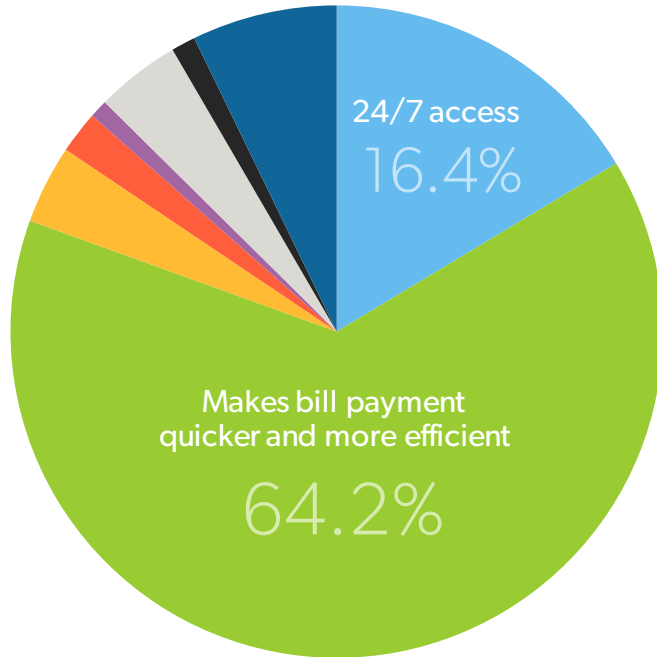


My business...

My business...	Response Percent
● has moved to electronic payments	26.9%
● has moved to both electronic payments along with electronic invoicing	30.1%
● plans to move to electronic payments along with electronic invoicing	9.0%
● plans to move to electronic payments within a year	5.1%
● plans to move to electronic payments in less than 6 months	2.1%
● has not moved to electronic payments yet but plans to eventually	20.3%
● will never move to electronic payments	6.6%

Question 6

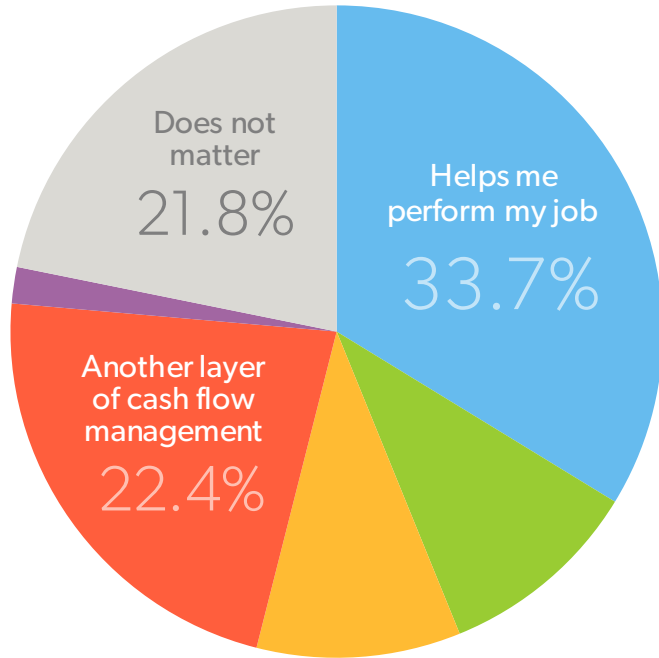
What, if at all, are the reasons you have moved or would move to sending electronic payments? (select one)



	Response Percent
● 24/7 access to payment information	16.4%
● Makes bill payment quicker and more efficient	64.2%
● Makes bill payment cheaper	3.9%
● More secure than paper checks	2.1%
● More secure than credit cards	0.9%
● Using paper is wasteful and bad for environment	4.2%
● I feel pressured by the government	1.2%
● None of these above	7.2%

Question 7

What, if at all, are the benefits of online (electronic) visibility into the status of payments? (select one)

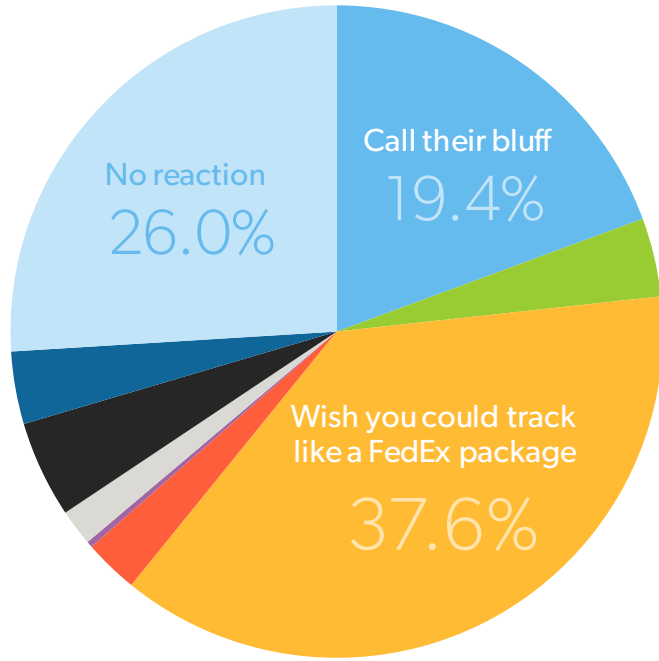











Payment status visibility...

	Response Percent
● helps me perform my job with confidence	33.7%
● makes me confident in my purchasing decisions	10.1%
● instills confidence in other vendors	10.1%
● provides another layer of cash flow management	22.4%
● gives me confidence to hire	1.8%
● None — does not matter	21.8%

Question 8

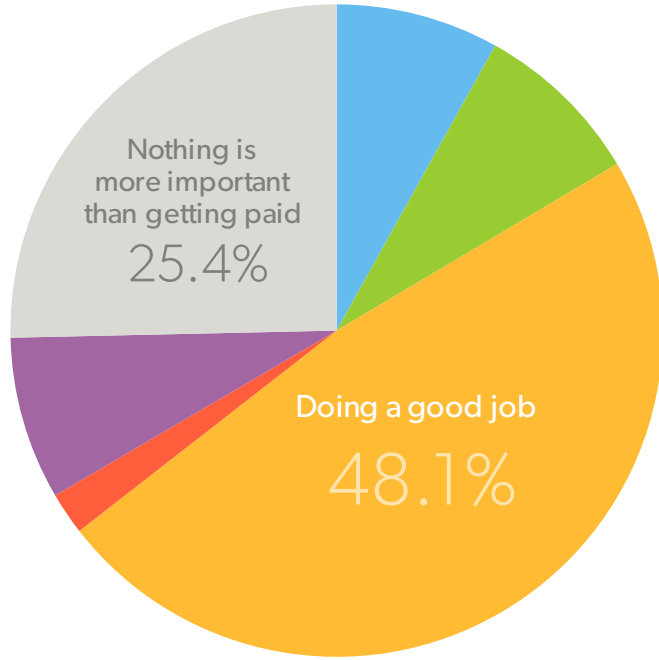
What is your gut response, if any, when someone says to you, “the check is in the mail”? (select one)



	Response Percent
 Call their bluff by requesting a check number and postage date by phone	19.4%
 Ask other suppliers if they've had a similar experience	3.9%
 Wishing you could digitally track the payment online like a FedEx package	37.6%
 Charge them interest	2.7%
 Go over their head and report the matter to their boss	0.3%
 Stop shipment of your product or withhold services	1.8%
 No longer consider the person credible	4.8%
 No longer want to do business with the person	3.6%
 None	26.0%

Question 9

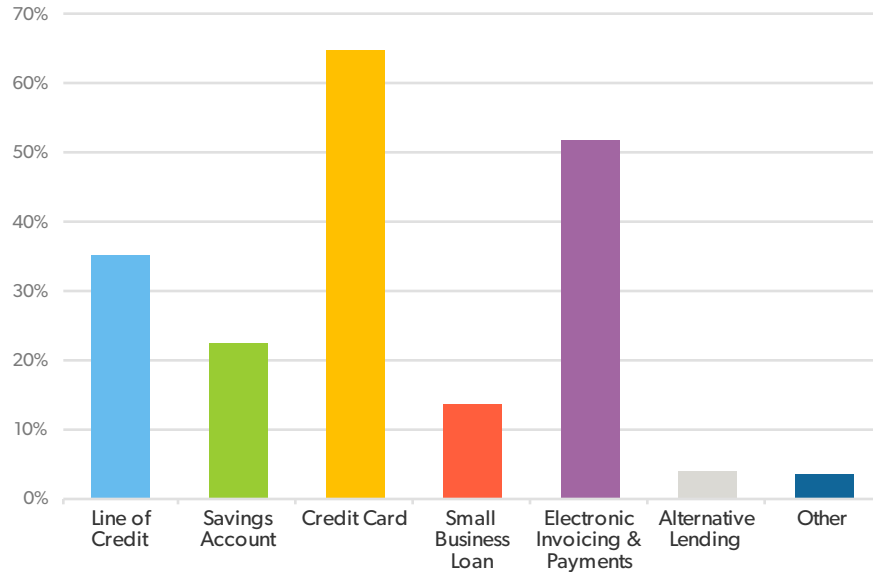
When it comes to work, what is more important than getting paid? (select one)



	Response Average
● Getting recognition	8.1%
● Getting training & learning	8.4%
● Doing a good job	48.1%
● Getting a promotion	2.1%
● Being a good manager	8.1%
● Nothing is more important than getting paid	25.4%

Question 10

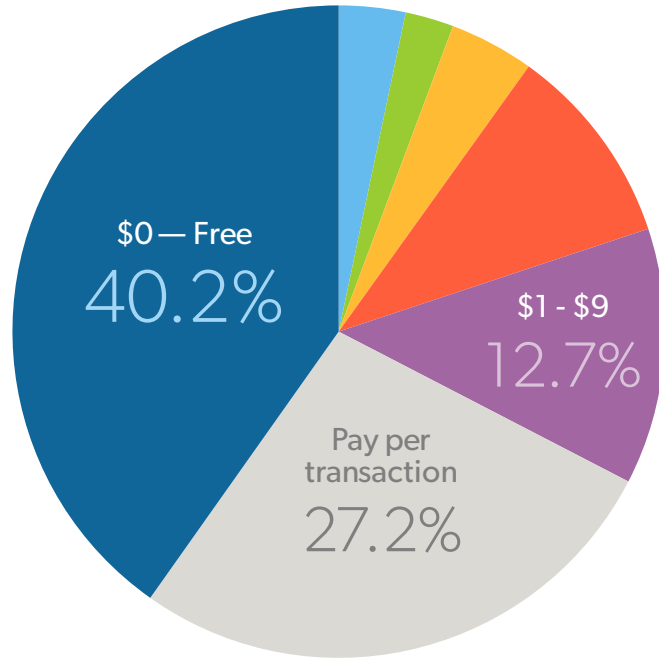
Next to a checking account, what other cash management tools or services are critical to running your business? (select all that apply)



	Response Percent
Line of Credit	35.2%
Savings Account	22.4%
Credit Card	64.8%
Small Business Loan	13.3%
Electronic invoicing and electronic payments	51.5%
Alternative lending: receivables financing, dynamic discounting	3.9%
Other (please specify)	3.3%

Question 11

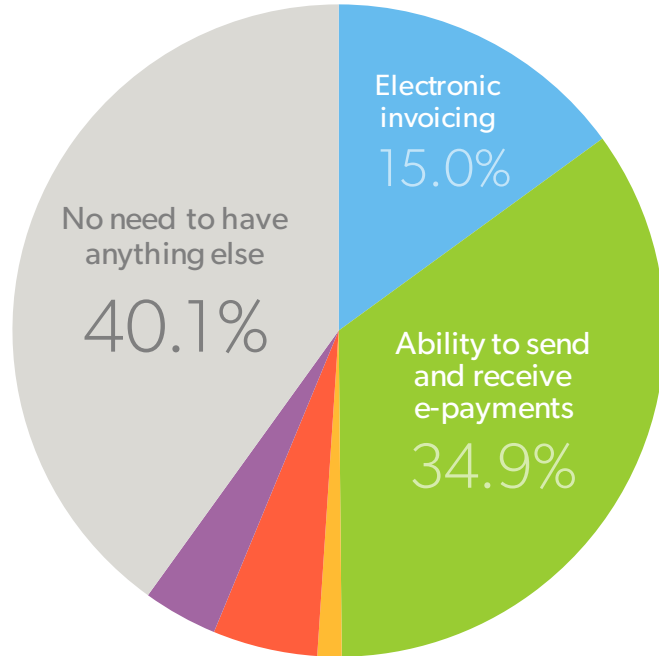
How much would you expect to pay monthly for an electronic invoicing and payments service for your business? (select one)



	Response Percent
● \$500+ for unlimited electronic payments and invoices	3.3%
● \$100-\$499 for unlimited electronic payments and invoices	2.4%
● \$50-\$99 for unlimited electronic payments and invoices	4.2%
● \$10-\$49 for unlimited electronic payment and invoices	10.0%
● \$1-\$9 for unlimited electronic payment and invoices	12.7%
● Pay per transaction with no monthly fee	27.2%
● \$0 - Free	40.2%

Question 12

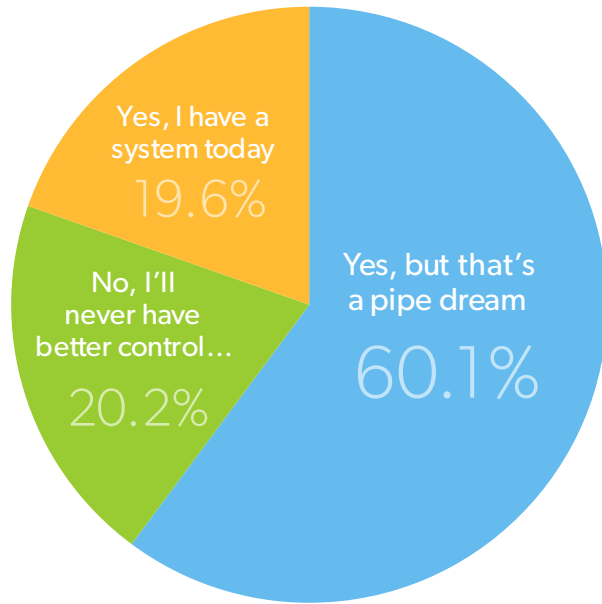
I would sign up for a new bank account for my business if it included: (select one)



	Response Average
● Electronic invoicing	15.0%
● The ability to send and receive e-payments	34.9%
● Paper checkbooks	1.2%
● Better visibility into my cash flow	5.2%
● Dynamic discounting to collect early payments or send early payments at a discount	3.7%
● No need to have anything else	40.1%

Question 13

If you could securely connect your bank account with your invoicing and payments processes, and see when and how much you'll be paid, would you have better control of your cash flow?



	Response Percent
● Yes, but that's a pipe dream	60.1%
● No, I'll never have better control of my cash flow	20.2%
● Other (please specify): Yes, I have a system today	19.6%

Question 14

How important would each of the following features be for improving cash management in your business?

	Very Important or Important	Somewhat Important	Not Very Important or Not Important at All
Immediate electronic deposit of customer payments	79%	12%	9%
Knowing when your invoices are received, approved and paid	81%	10%	9%
Ability to pay invoices early at a discount to save money	60%	19%	21%
Better visibility to what payments you are expected to receive each day	67%	20%	14%
Get notified when and if a payment is going to be delayed	72%	18%	10%
Ability to electronically request early payments using discounts on open invoices — when you need cash	44%	20%	36%
Eliminating paper files and having access to e-documents whenever you need them	71%	18%	11%
Automating and tracking invoice approvals	62%	19%	19%
Eliminating printing and mailing checks and chasing signatures	64%	18%	18%
Customizing and scheduling automatic reminders to customers to encourage on-time payments	65%	20%	15%
Adjust payment timing to manage projected cash flow and accounting software updates automatically	56%	22%	22%
Ability to schedule and automate recurring payments — to avoid late payments	70%	16%	14%

Methodology

Survey Timeline: September 29 to October 7, 2016

Population: 20 million+

- U.S. Businesses
- Sole Proprietor to Enterprise

Fielded: 2,944

Total Responses: 335

- 95% Confidence Level
- Margin of Error: + or – 5.35%

About Viewpost

Viewpost is revolutionizing the way businesses transact with each other. Viewpost built the most trusted open business network to empower businesses of all sizes with real-time cash management for anytime operating decisions. On the secure Viewpost network, companies connect and exchange electronic invoices and payments with unprecedented ease and visibility, accessing working capital on demand.

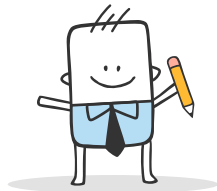
Enterprise clients are using Viewpost to cut costs, increase efficiency and improve cash management, including Accenture, Florida Hospital Medical Center, Georgetown University, the Orlando Magic, and Whole Foods Market. With enterprise-grade security, including ISO 27001 and SSAE16 audited certifications and the TRUSTe Privacy Seal, Viewpost is partnering with financial institutions to bring cash management tools to business customers at U.S. Bank, Bank of America and Fifth Third Bank.

Viewpost innovation has been awarded Best in Show by Barlow Research, Best CISO/CSO by FireEye Cyber Defense Summit, CSO50 Award (three-time honoree) by IDG's CSO, and the BIG Innovation Awards.

Since Viewpost was opened to the public in early 2015, more than \$2.5 billion in payments have been processed and more than 25 million invoices valued at over \$45 billion have been shared across the network. Founded in 2011, Viewpost is headquartered in the Orlando area, with additional teams in Boston, Minneapolis and San Francisco.

For more information about this survey, contact marketing@viewpost.com

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Thanks. See you again next year.