

CASE STUDY

Boost Intercept[®] drives major operational efficiency and seven-figure savings at Ferguson



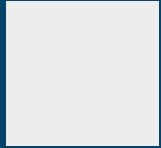


TABLE OF CONTENTS

02 INDUSTRY BACKGROUND

03 THE CHALLENGE

04 THE SOLUTION

05 PROJECT ACHIEVEMENTS

06 CONTACT US

INDUSTRY BACKGROUND

The B2B payment industry is shifting, as more buyers and suppliers address high costs, automate manual payment processing, and adopt digital payment solutions. Virtual cards are quickly becoming the preferred method of payment for enterprise buyers because they are significantly more secure than other payment modalities and offer better control for procurement and AP organizations. As AR teams are challenged to accept a widening array of payment types, including virtual cards, they are looking for processing solutions that minimize costs, reduce manual workloads, increase security, and ultimately optimize cash flow.

AT A GLANCE

52%

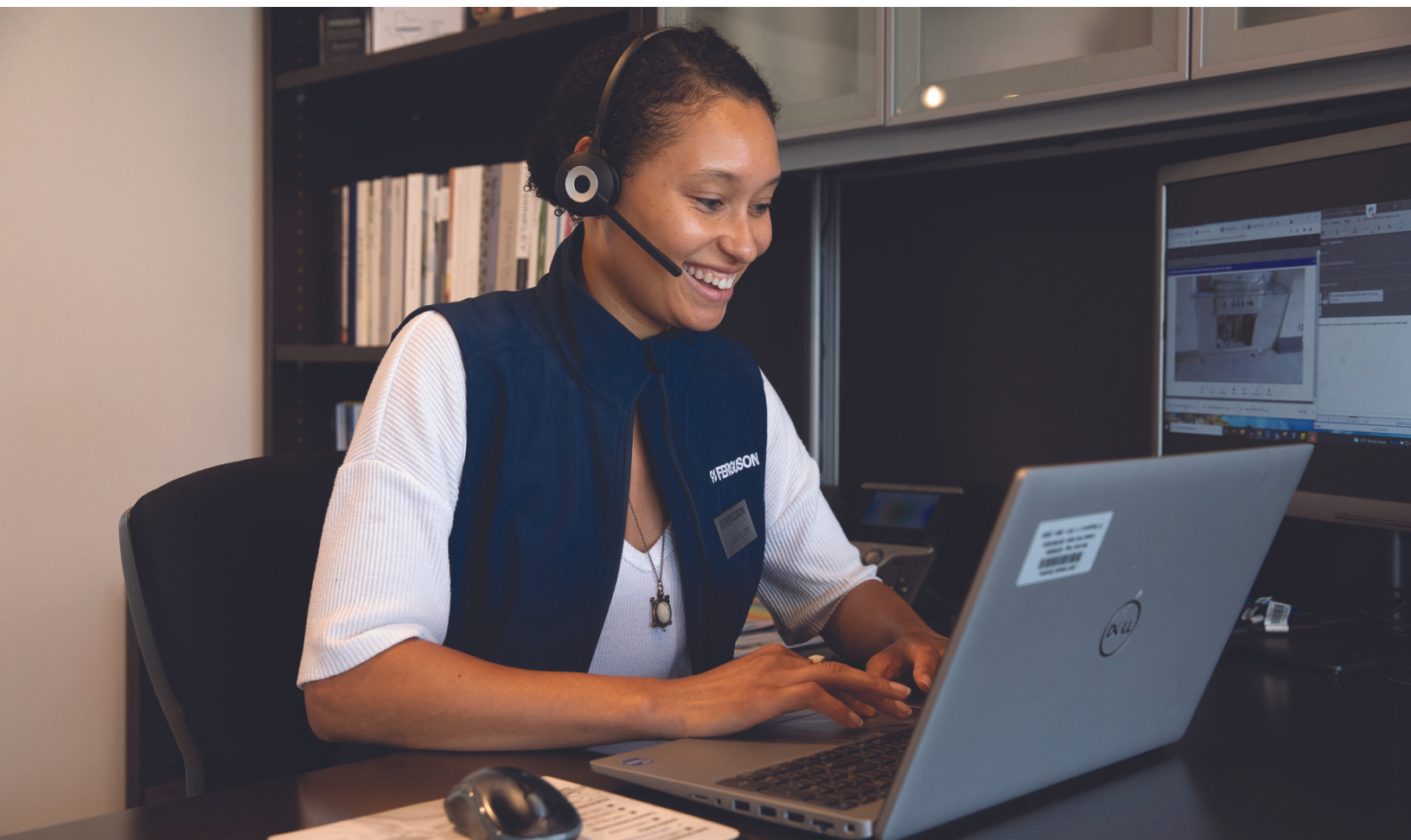
Virtual cards will make up 52% of U.S. mid- to large-market commercial card spend by 2025

73%

of businesses that automate their payments processes are improving liquidity, reducing DSO and strengthening customer relationships

90%

of CFOs plan to automate their accounts receivable operations to fix payment errors and delays



THE CHALLENGE

Before working with Boost in 2022, Ferguson was exploring ways to enhance its payment processing experience. Among their priorities were reducing customer friction and managing the costs associated with diverse payment methods.

Ferguson was committed to addressing the increase in virtual commercial card payments, recognizing the need for a more efficient process to handle the broad spectrum of transaction sizes. The goal was to alleviate the delays caused by manual processing of authorization emails, which sometimes resulted in payments not being processed on the day of receipt.

Manually processing credit card authorizations and processing a constant stream of virtual card payments demanded a considerable amount of time and resources from the Ferguson credit team. With a significant number of payments arriving daily, and notable peaks in activity mid-month, the centralized credit operations team occasionally needed support from other departments to manage the workload and minimize delays.

In response, Ferguson explored third-party B2B payment solutions aimed at enhancing payment efficiency, lowering credit card processing fees, and ensuring seamless integration with their current systems without complicating their accounting processes. The ideal solution would also be marked by straightforward cooperation and a history of successful initial deployments, facilitating a smooth transition to a more automated payment framework with remittance data in formats that would not add any additional cash application accounting burdens.

“

“Our customers can pay us into our bank-managed lockbox, by wire, cash, or traditional credit card. Boost has helped by automating acceptance of a surging payment method, the virtual credit card - a process that was previously very manual.”

Daniel Henricks
Regional Credit Manager, Ferguson

”

THE SOLUTION

Ferguson enlisted Boost for a more efficient and streamlined payment process. By directing virtual card payments directly to Boost Intercept, Ferguson was able to convert e-mail based notifications to straight-through processing (STP) payments. The implementation of Boost Intercept's fully passive process brought about a transformative change for Ferguson by automatically settling all commercial card payments directly to Ferguson's depository account while payment notifications and detailed remittance reports are sent to Ferguson's ERP in their preferred file format. This technology allowed Ferguson to remove any manual intervention and created end-to-end payment and data automation, ensuring timely payments and reduced operational costs.

Boost also empowered Ferguson to optimize their cost of acceptance by defaulting to the optimal interchange clearing rates, thereby lowering the overall cost. For Ferguson, this strategic approach further enhanced their overall payment efficiency and solidified the success of their automated payment system.

HIGHLIGHTS



40% reduction in processing fees on virtual cards resulting in significant cost savings.



Successfully broke a deadlock in negotiations with a **multi-million dollar per year customer** by offering payment through Boost, preserving recurring revenue in the process.



Redeployed the labor hours of **three full-time employees** on the credit team, who previously had to manually process hundreds of card authorizations every day.

“

“We’re achieving significantly reduced processing fees. And Boost takes a burden off our credit team on the front end of processing virtual cards. And we’re not going backwards at the end of these transactions when the cash gets applied.”

Brenda Crowder
Assistant Treasurer, Ferguson

”

Project Achievements

SAVINGS ON PROCESSING FEES

Ferguson has achieved a 40% reduction in processing fees on virtual cards resulting in significant cost savings, especially considering their high-ticket transactions. Additionally, Ferguson estimates the company saved million of dollars in the first year by using Boost to automate huge volumes of card payments, while receiving the competitive proprietary rate that Boost provides compared to other such solutions.

CASH APPLICATION

When Ferguson identified an opportunity to enhance the timeliness of updating customer account balances in their ERP system, Boost proactively collaborated to tailor the remittance delivery process. By providing remittances in an Electronic Data Interchange (EDI) format compatible with the cash application software at Ferguson, Boost facilitated seamless integration, enabling their shared services team to uphold their high service standards.

DECREASED LABOR FOR CREDIT TEAMS

By having Boost streamline the process of processing virtual card payments, this saved the Ferguson credit team significant daily time and employee resources, including labor savings of approximately three to four full-time employees on the regional credit team. These employees were then reassigned to handle other core functions, such as making customer service calls to the credit team, helping reduce the company's carrying costs, and identifying potential credit risks before they become problematic.

PAYMENT EFFICIENCIES AND SCALABILITY

Ferguson has achieved significant growth in total dollar volume of payments processed through Boost month-over-month, and it plans to continue rolling out the solution across its diverse customer base. By increasing transaction volume and processing more payments through Boost, Ferguson achieves economies of scale that drive major cost savings and operational efficiencies. The company is looking to expand its use of Boost to other card types and explore opportunities for further payment automation in the future.



ABOUT FERGUSON

Ferguson is a leading value-added distributor in North America providing expertise, solutions, and products from infrastructure, plumbing, and appliances to HVAC, fire, and fabrication. Ferguson exists to make its customers' complex projects simple, successful, and sustainable.



www.Ferguson.com



[@FergusonOfficial](https://www.facebook.com/FergusonOfficial)



[@Ferguson-Enterprises](https://www.linkedin.com/company/Ferguson-Enterprises)



[@FergusonEnterprises](https://www.youtube.com/channel/UCFergusonEnterprises)

ABOUT BOOST

Boost Payment Solutions is the global leader in B2B payments with a technology platform that is purpose-built to meet the complex demands of today's commercial trading partners. Our proprietary technology solutions bridge the needs of buyers and suppliers around the world, eliminating friction and delivering process efficiency, payment security, data insights and revenue optimization. Boost was founded in 2009 and operates in 45+ countries.

Boost Intercept®, our patented Straight Through Processing (STP) platform, eliminates manual workflows with end-to-end payment and data automation. Breaking the mold of traditional rigid credit card pricing constructs, Dynamic Boost® offers buyers and suppliers payment flexibility based on business rules that fit their mutual needs. The Boost 100® platform brings together all the solutions and services that large enterprises need to enable up to 100% of their AP spend on their commercial card.



www.BoostB2B.com



[@Boost Payment Solutions](https://www.linkedin.com/company/Boost-Payment-Solutions)

For more information from Boost about this case study please contact

Seth Goodman
Chief Revenue Officer

SGoodman@boostb2b.com

THANK YOU



© 2024 Boost Payment Solutions Inc. All rights reserved.

Referenced data sources include:

Commercial Card Growth Predictions, Mercator Advisory Group, 2023

Can Automating Working Capital Insulate Businesses From an Economic Downturn?, PYMNTs, August 2023

Survey: Accounts Receivable Automation Smooths Order-to-Cash Continuum, PYMNTs, July 2023

Boost Payment Solutions, Inc., is a registered ISO and Payment Facilitator of Fifth Third Bank, N.A., Cincinnati, OH., a registered Payment Facilitator of Elavon, Inc., and a registered ISO of AIB Merchant Services, Dublin, Ireland.