



CASE STUDY

Mastercard transforms its AP process worldwide through its partnership with Boost Payment Solutions





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In a first of its kind alliance, Boost Payment Solutions (“Boost”) streamlined how Mastercard pays its suppliers worldwide with a one-stop-shop solution for optimized commercial card use and acceptance.

INDUSTRY BACKGROUND

Corporations and their banks are looking to financial technology companies to improve B2B payments by curing the pain points associated with traditional payment methods. While check, wire and ACH remain the dominant payment methods in B2B, the landscape is shifting as a greater number of buyers and suppliers are turning to commercial cards. Many of today’s trading partners see cards as better-suited to complement complex trading terms. Virtual cards are quickly becoming the preferred method of commercial card issuance and acceptance. The rapidly accelerated need for digital solutions has driven significant increases in adoptions over the last two years and is expected grow by more than 300% by 2026.

AT A GLANCE

\$4.8
TRILLION

It's anticipated that the global value of B2B virtual card transactions will reach \$4.8 trillion in 2026.

84%

of Chief Financial Officers say that payment digitization has improved their working capital.

76%

of financial institutions are currently working on or plan to work on virtual card solutions for their corporate customers.



EXECUTIVE SUMMARY

THE CHALLENGE

Mastercard wanted to migrate its payments to suppliers from check and ACH to a Mastercard commercial card product. Prior to engaging Boost in 2015, Mastercard had been paying most of its suppliers via checks, ACH and wires. Managing and processing payments to its vast network of suppliers, which includes facilities management, media, IT, legal, telecommunications, event partnerships and many other categories, involved onerous manual activities. To streamline its supplier payment process and reap the various benefits associated with Mastercard commercial card products, Mastercard needed to partner with a company that had the technical platform and supplier enablement capabilities with a global footprint.

THE SOLUTION

Mastercard enlisted Boost to simplify its payments to suppliers via Boost's proprietary straight-through processing (STP) platform, Boost Intercept®, thereby allowing Mastercard to automate supplier onboarding, payment processing and remittance reporting.

Boost Intercept digitizes Mastercard's commercial card payments so that payments are automatically settled with the supplier's depository banks while payment notifications and detailed remittance reports are sent to suppliers in their preferred file format. By integrating Boost Intercept with Mastercard's virtual card platform, In Control®, Boost was able to convert the e-mail-based output from In Control into STP payments across the globe using locally issued card products with a single push of a button.

PROOF POINTS



Mastercard has successfully migrated the vast majority of its payments to its commercial card platform. Mastercard now pays suppliers with its commercial card products via Boost in over 30 countries around the world.



Mastercard enjoys significant rebates and working capital generated by its card payment program.



Boost and Mastercard entered a strategic global partnership in 2021 to expand the use and acceptance of commercial cards around the world.



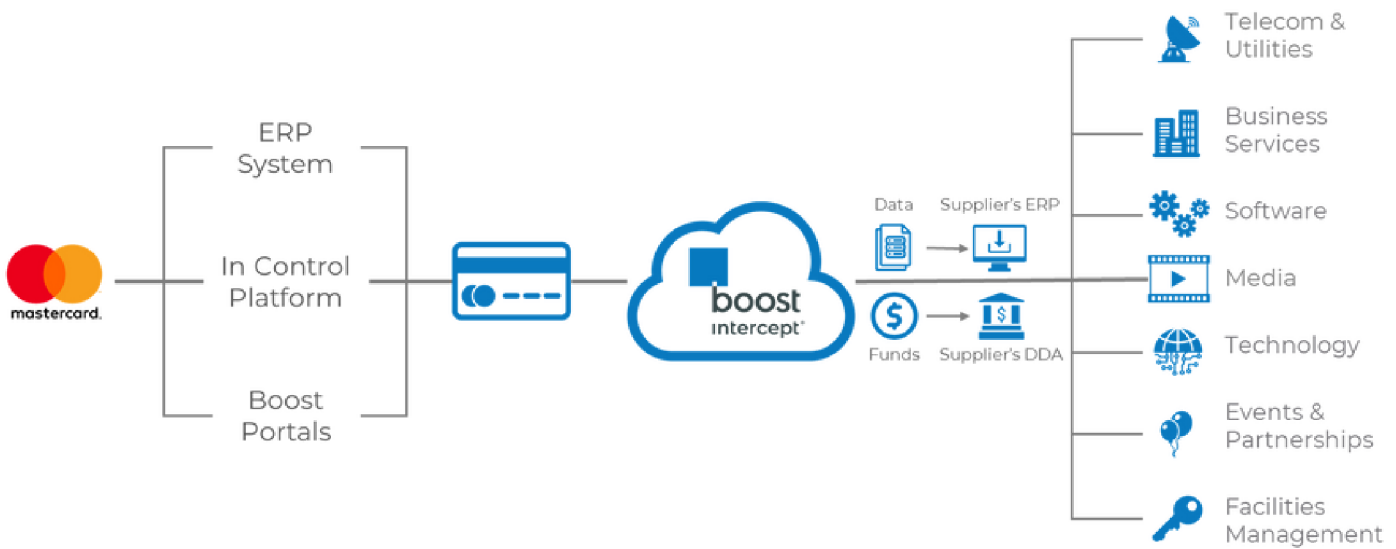
“As the leading global commercial card network, it was imperative that we migrate our own payments to suppliers over to a Mastercard product and Boost's technology and supplier enablement capabilities, coupled with our own, allowed that to happen seamlessly. With Boost, we were able to offer our global suppliers a friction-free commercial card acceptance experience.”

Josh McNally
Vice President Payment Technology and Solutions
Mastercard

BENEFITS OF STP WITH BOOST INTERCEPT

To make paying suppliers easier and to reap the benefits of using its commercial card platform, Mastercard needed to migrate its supplier network onto cards. To do so, Mastercard's procurement team, led by Mr. Josh McNally, introduced its suppliers to Boost Intercept, which made card acceptance and remittance reporting a completely passive and simple experience for both parties.

By using commercial cards, Mastercard receives cash-back rebates and significantly expands its working capital. Mastercard is also able to leverage Boost's international capabilities by expediting international and cross border payments as easily as domestic ones.



BENEFITS ACROSS THE SUPPLY CHAIN

- | | |
|--|--|
| Completely digital process | Increase working capital |
| Eliminate manual data entry errors | Optimize cost of acceptance |
| Incremental revenue via Buyer rebates | Actionable insights with enhanced reporting |
| Easy cross border and international settlement | Increased protection against attempted fraud |
| Guarantee timely and accurate payments | PCI data is never exposed to the supplier |

PROJECT ACHIEVEMENTS

SIMPLIFIED ENROLLMENT

Boost has streamlined the enrollment process by providing U.S. based suppliers with an online, self-enrollment form allowing Mastercard to start processing payments within as early as 24 hours following enrollment. International suppliers are typically boarded within a week of enrollment. By working with Boost to broaden supplier acceptance globally, Mastercard's procurement team has been able to optimize its commercial card program, which has resulted in reduced back-office costs by minimizing the types of payments its accounts receivable department is required to field.

RECURRING REBATES

Unlike other forms of payment, commercial cards often provide buyers with recurring rebates based on their relationship with their card issuer and the amount of spend they successfully migrate to their card program. By utilizing Boost, Mastercard is able to generate new streams of revenue through its commercial card issuer, Citibank.

WORKING CAPITAL

In addition to new revenue streams via rebates, Mastercard also benefits from another unique feature of commercial cards – expanded working capital through the grace period provided by its issuing bank. Unlike wire, ACH or check payments, where funds are immediately debited from Mastercard's designated bank account, its commercial credit card product allows the company to extend its days payable outstanding (DPO) by paying back its card-issuing bank on mutually agreeable terms, thereby providing Mastercard with more control over its cashflow.

INTERNATIONAL FOOTPRINT

As a truly global organization, Mastercard required a commercial card program that would mirror its international footprint, and Boost's international acquiring capabilities fulfilled that requirement. Through its global network of integrated acquirers and processors, Boost seamlessly facilitates Mastercard's card payments to suppliers anywhere they do business, thereby eliminating the need for the company to connect directly to many acquirers and navigate local regulations. Boost currently processes payments on behalf of Mastercard and its worldwide affiliates in over 30 countries across the U.S., Canada, pan-Europe, UAE, Brazil, Australia and the Caribbean.

ABOUT MASTERCARD

Mastercard (NYSE: MA), is a technology company in the global payments industry. Our global payments processing network connects consumers, financial institutions, merchants, governments and businesses in more than 210 countries and territories. Mastercard products and solutions make everyday commerce activities – such as shopping, traveling, running a business and managing finances – easier, more secure and more efficient for everyone.



www.Mastercard.com



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ABOUT BOOST

Boost Payment Solutions is the global leader in B2B payments with a technology platform that seamlessly serves the needs 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.



www.BoostB2B.com



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THANK YOU



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Referenced data sources include:

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The New User Experience: Tracking the Consumerization of B2B Payments, PYMNTS.com, February 2022

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