

TRANSFORMING B2B COMMERCE

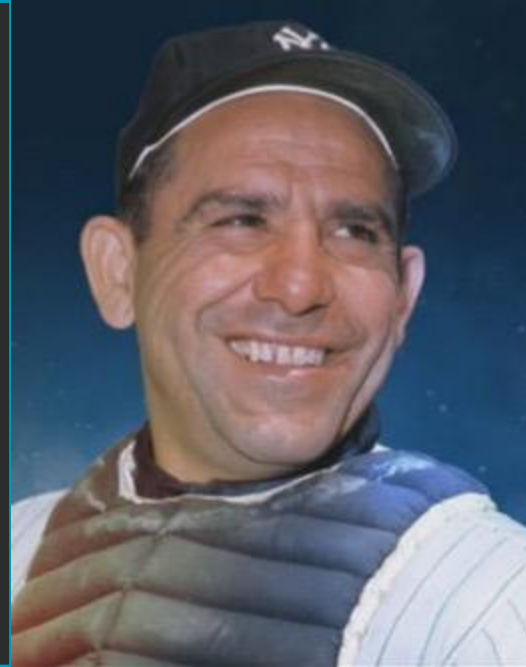
#B2BREVOLUTION



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“The future
ain’t what
it **used** to
be.”

Yogi Berra



166 YEARS OF TRANSFORMATION



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A REPUTATION FOR EXCELLENCE IN HEALTHCARE

59% Fortune 500 - including 63 Pharma/Healthcare companies



We partner with more than

300

HEALTHCARE SYSTEMS.



INNOVATION IS IN OUR DNA.

Our technology investments
have grown more than
since 2014*

350%

*Investment growth pertains only to Buyer Initiated
Payments Product



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THE HEALTHCARE INDUSTRY TODAY

Changing Landscape

- Government reforms are in flux
- There's a shift to value-based outcomes and reimbursement
- Mergers and acquisitions are continuing at an advanced pace

45%

Share of spending Aetna will dedicate to value-based care by 2017.

"2013 Investor Conference." Aetna. December 12, 2013. <http://www.aetna.com/investors-aetna/assets/documents/2013%20Investor%20Conference/2013-Investor-Conference-Presentation.pdf>

66%

U.S. healthcare CEOs planning to enter into a new strategic alliance or joint venture over the next 12 months.

Healthcare CEO Survey Industry Summary." PwC. 2016. <http://www.pwc.com/gx/en/ceo-agenda/ceosurvey/2016/healthcare.html>



THE HEALTHCARE INDUSTRY TODAY

Cash Flow Challenges

- Medicare and Medicaid spending slowing
- High deductible plans shift payment responsibility to patients
- Interest rate hikes are predicted for 2017

193%

Increase in consumer healthcare
payments 2011-2015.



Growth in Medicare spending has
slowed over the past five years
despite growth in enrollment.

"The Facts on Medicare Spending and Financing." The Henry J. Kaiser Family Foundation. July 20, 2016.
<http://kff.org/medicare/issue-brief/the-facts-on-medicare-spending-and-financing/>

THE HEALTHCARE INDUSTRY TODAY

Increased Spending



53%

of hospitals expect capital spending to increase over the next five years.

"Capital Spending to Rise for U.S. Non-Profit Hospitals." Fitch Ratings. September 24, 2015.
<https://www.fitchratings.com/site/pr/991287>



Hospital expenditures grew
in 2015.

5.6%

"NHE Fact Sheet," Centers for Medicare and Medicaid Services. December 2, 2016. <https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/nhe-fact-sheet.html>

HOW TO MANAGE THE CHANGE



“Automating B2B payments ... can create an interconnected, automated world that provides financial prowess and deep intelligence, turning B2B payments into a strategic business process.”

—Andrew Bartolini, Ardent Partners “The State of B2B Payments 2015: Emerging Business Value”



“WE ISSUED MORE THAN 1.4
MILLION CHECKS IN 2013,
WHICH COST US OVER \$500,000
IN POSTAGE ALONE.”

Van Neinast, senior vice president, IT systems and solutions,
United Surgical Partners International

ARE YOU PREPARED?

Traditional payment systems take a greater toll than you think.

- Limited cash flow flexibility
- Little insight into spend
- Operational inefficiencies
- Unnecessary costs

Checks cost **10x more** to send than
electronic payments.

Checks and legacy systems aren't up to
current compliance standards.

"15 AFP Payments Cost Benchmarking Survey," Association for Finance Professionals, 2015.
<http://www.bottomline.com/sites/default/files/faster-cost-effective-afp-payments-cost-benchmark-survey-gen-us-srr-1510.pdf>

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REALITY OF B2B PAYMENTS

Theory

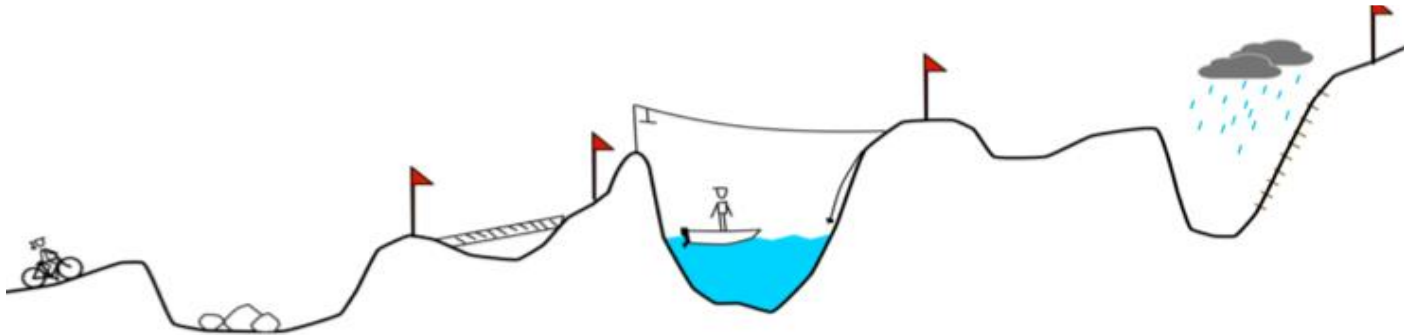
A/P
A



A/R
B

Reality

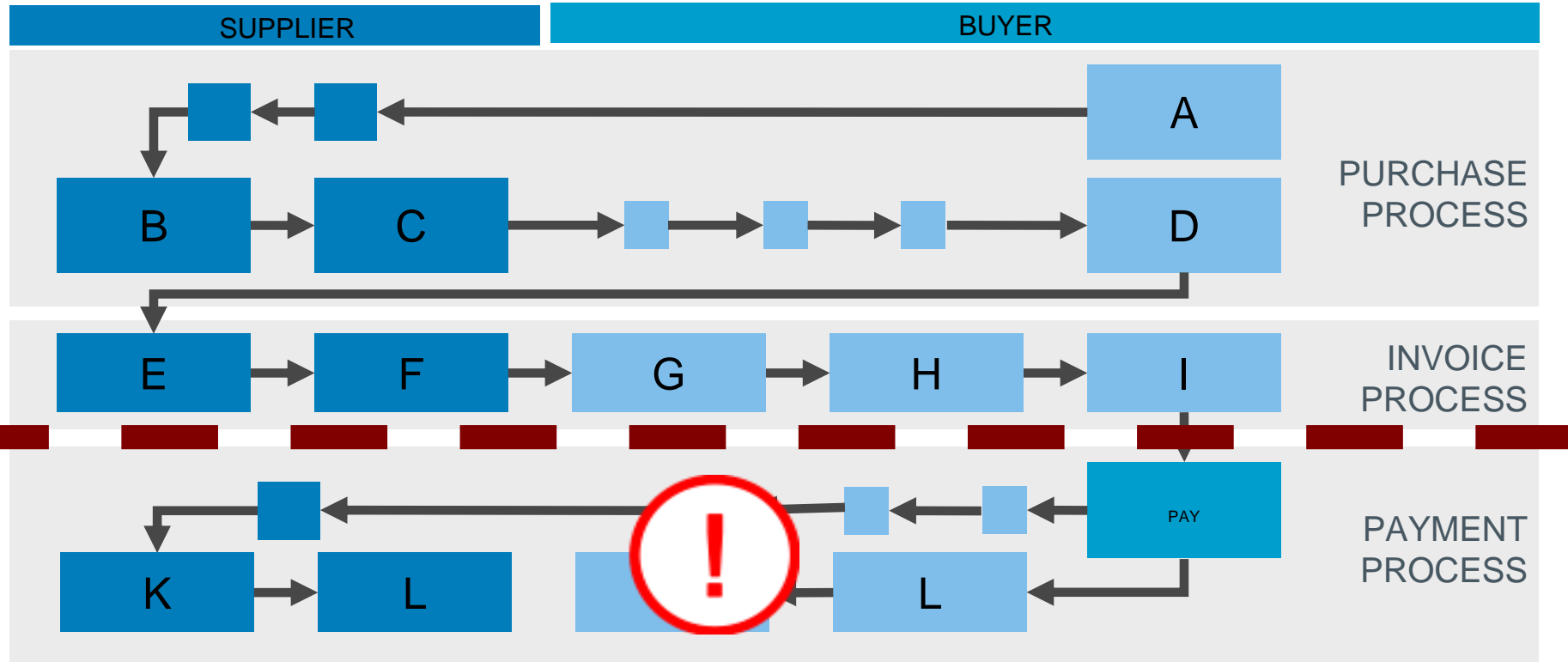
A/P
A



A/R
B

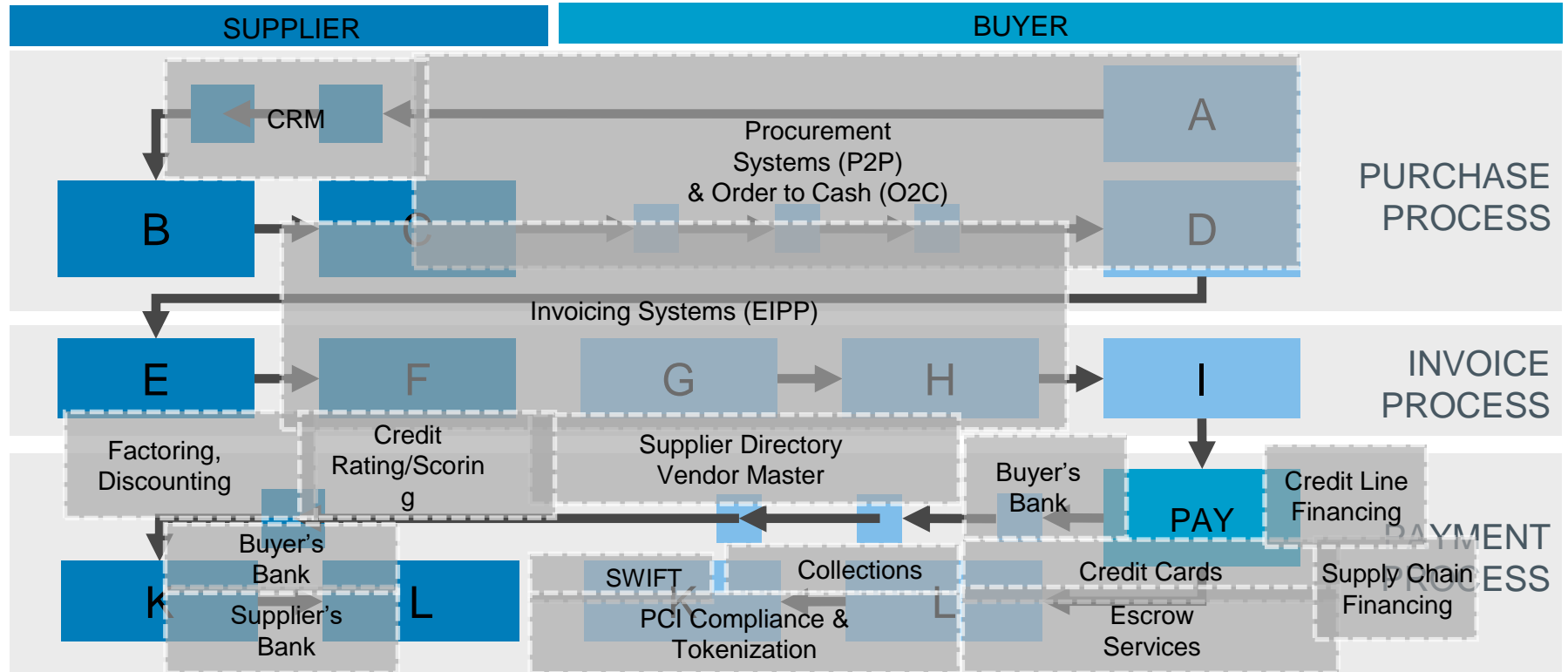
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MULTIPLE SOURCES OF TRUTH



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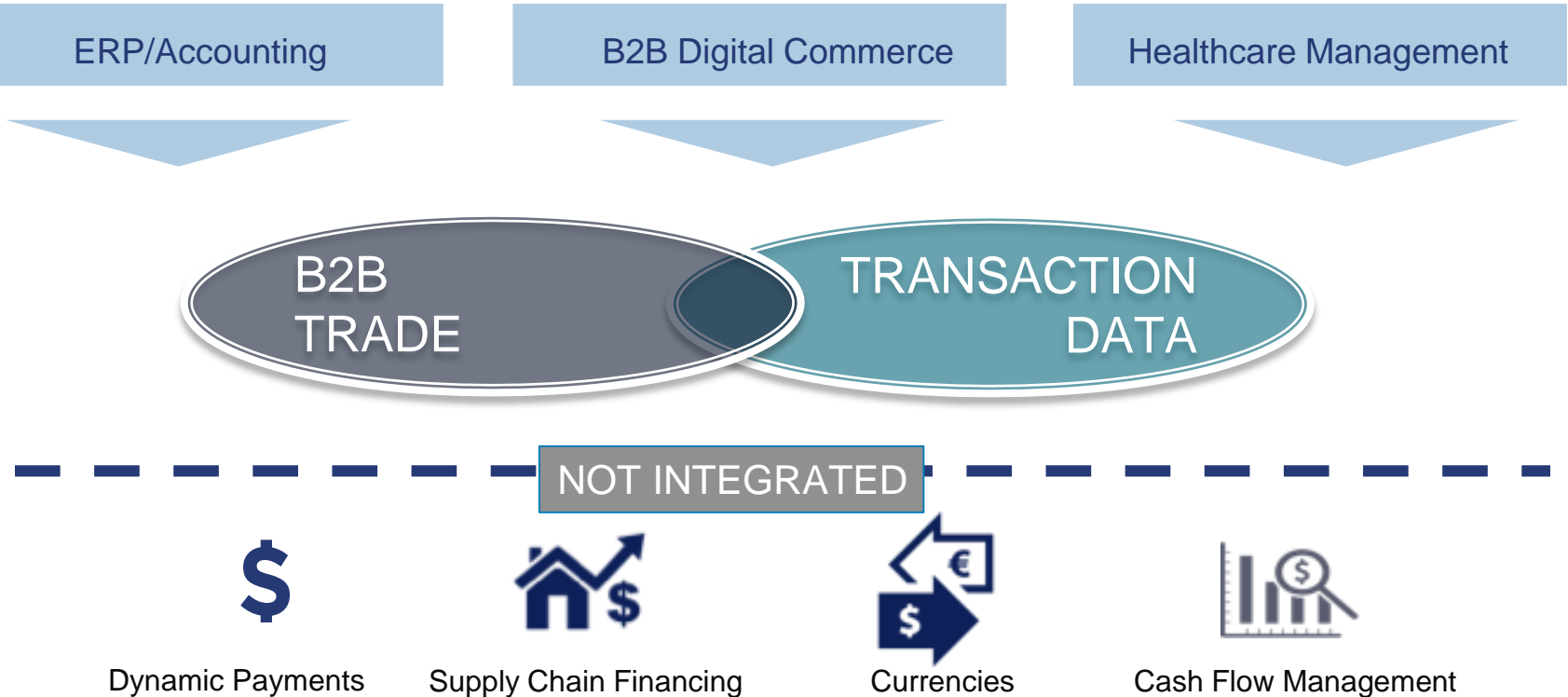
HIGHLY FRAGMENTED SOLUTIONS



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B2B PLATFORMS – NECESSARY BUT INSUFFICIENT



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THE IMPACT TO BUYERS/SUPPLIERS

VISIBILITY

CFO's report poor
VISIBILITY into
payments

COSTS

60%+
payments are
handled manually
due to mismatches

DELAYS

30%
B2B invoices are paid
AFTER the due period

CONTROL

78%
companies can not
forecast **CASH FLOW**
accurately



Source: Hackett Group 2015

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IMPACTS TO BUSINESSES



Enterprise

- Multiple legacy systems to support
- Multiple divisions to manage
- Multiple payments systems/banks
- Multiple sources of truth



- Missed supplier discounts
- Non-compliant spend
- Inaccurate reporting/reconciliation
- Manual and inefficient processes



Middle Market

- Payment solutions are paper based and disconnected from accounting system (main system)
- Limited bargaining power with banks



- Limited cash flow visibility
- High cost, ad-hoc AP process
- Erratic capital requirements/cost



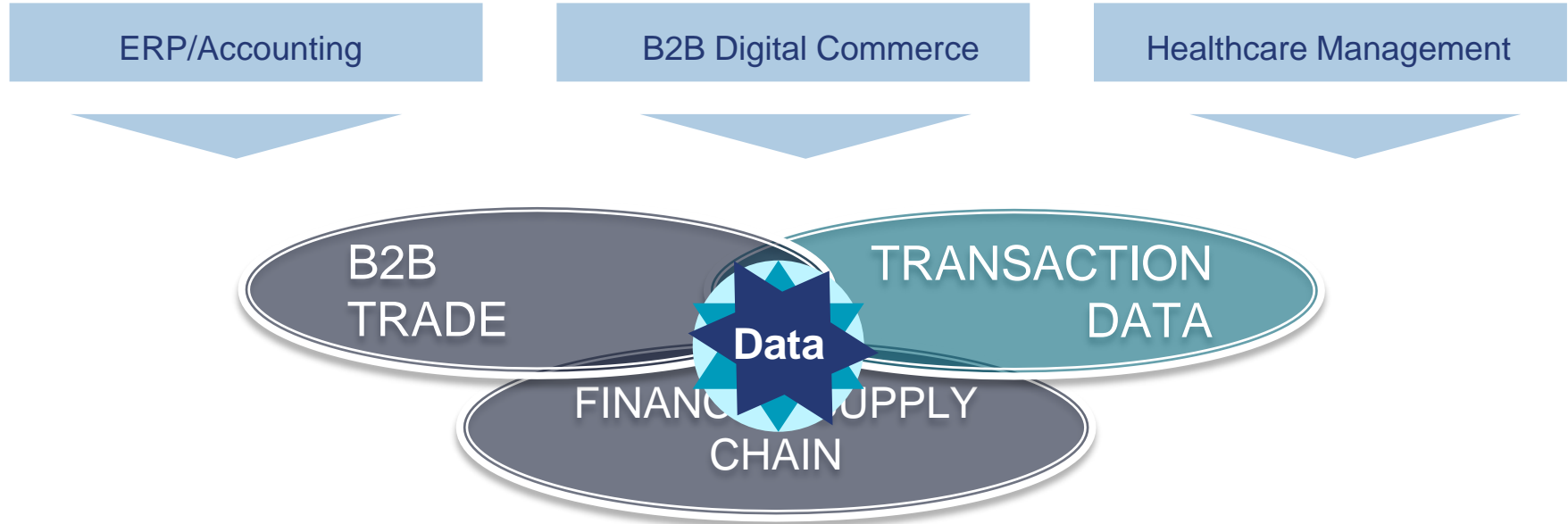
Small Business

- Not automated, not sophisticated
- Limited staff – sometimes < 3 total
- No bargaining power with banks



- Limited cash flow visibility
- High cost, manual AP process
- Late payment fees

LAST MILE = VISIBILITY & CONTROL



Connecting B2B trade, transaction data, and banking/payments is the opportunity – bank agnostic, multi-platform, global

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Security &
Control



Global
Trade



Financial
Flexibility



Transaction
Automation



Contextual
Insights

Connecting Commerce Platforms

“If you come
to a **fork** in
the road,
take it.”

Yogi Berra

