

MEDELA

CUSTOMER SUCCESS STORY

Medela eliminates inefficiencies and reduces credit card fees with Billtrust's Virtual Card Capture solution

Executive Overview

Medela, a market-leading breast pump company, noticed a rapid increase in the number of emailed virtual card payments they were receiving from their customers. After years of manually processing emailed card payments, Medela turned to Billtrust for a solution that would help automate virtual card acceptance.

Since implementing Billtrust's Virtual Card Capture solution, Medela has completely eliminated the manual keying that was once required to process virtual cards, while simultaneously reducing credit card interchange fees by 26 basis points.

The Customer

Founded in 1961 in Zug, Switzerland, Medela provides superior-quality breastpumps and breastfeeding accessories to nursing mothers around the world. A Billtrust client since 2009, Medela has become a global player in breastfeeding products and medical vacuum technology thanks to continued research, innovation and the evaluation of customers' needs. Medela has 18 subsidiaries in Europe, North America and Asia. Medela distributes its products in more than 100 countries, either directly or through independent partners and has a staff of over 1,500 worldwide.

Business Challenge

Medela had been leveraging Billtrust's Quantum Payment Cycle Management solution to automate their accounts receivable processes and saw outstanding growth in their customer electronic adoption rate thanks to their electronic invoice presentment & payment (EIPP) portal, eInvoice Connect. But recently, Medela's accounts receivable team began receiving an increasing number of electronic payments *outside* of their EIPP portal, through an unexpected channel: email. This was due to a growing trend among their customer base that championed the use of virtual cards, a one-time use credit card number typically generated by a customer's bank or accounts payable system. Tina Schneider, Credit & Accounts Receivable Manager at Medela, was particularly struck by the rapid growth of virtual card usage, noting, "We saw the number of emailed virtual card payments increasing year over year; it wasn't something that was going away, and the volume was becoming difficult to handle."

These emailed virtual card payments posed a number of problems for Medela's accounts receivable team. "Prior to implementing Billtrust's Virtual Card Capture solution, we keyed emailed virtual card numbers into our ERP manually.



Each email was unique in where and how pertinent information was placed, making the process that much more time-consuming,” said Schneider. In many instances, Medela’s staff would open an email notifying them that they had been paid, only to be taken to numerous URLs before finally being able to retrieve the credit card number they were looking for. “We had one full-time employee who dedicated eight hours a day to processing emailed virtual card payments. They were forced to keep a spreadsheet of logins, passwords and URLs handy to retrieve virtual card numbers,” added Schneider, acknowledging that valuable employee time was being spent on tactical tasks rather than strategic initiatives.

Once Medela’s staff went through the frustrating process of collecting and processing the virtual card numbers from emails, they then had to worry about applying that cash to each open invoice within their ERP. This was an equally tedious process that required the accounts receivable team to track down and close thousands of invoices a month manually within their ERP system.

Aside from the host of process inefficiencies emailed virtual card payments created for Medela, they were also being hit with hefty interchange fees for each of those transactions. Medela was dedicating a tremendous amount of time and money to this process, with no easy way to pass Level II/Level III data and qualify for lower interchange rates.



You would be crazy not to go with Billtrust! We’ve been looking for a way to automate these emailed card payments for five years, and Billtrust delivered on a great solution. They truly listen to their customers.”

- Tina Schneider, Credit & Accounts Receivable Manager

Solution & Value Realized

To alleviate manual keying and the costs associated with emailed virtual card payments, Medela turned to Billtrust’s Virtual Card Capture solution.

In just three weeks time, Medela implemented Virtual Card Capture and effectively eliminated 100% of the manual keying that was once a part of their daily virtual card keying routine. With Virtual Card Capture, every emailed virtual card payment sent to Medela is automatically rerouted to Billtrust, stored safely in Billtrust’s PCI environment, and processed and deposited into Medela’s bank account the very next business day. To streamline cash application, Billtrust delivers a consolidated remittance file straight into Medela’s ERP system daily. With manual keying behind them, Medela was able to reallocate their full-time employee to have them focus on other important credit and collections projects.

In addition to the process improvements, Medela was also able to take advantage of the savings Virtual Card Capture provided through interchange optimization. Every virtual card payment routed to Billtrust is automatically submitted for Level II/Level III processing, giving Medela the confidence that each transaction is qualifying for the best possible interchange rate. As a result, Medela was able to reduce interchange fees across all emailed virtual card payments by 0.26%, with those savings expected to increase as virtual card payment volume continues to grow.

100 American Metro
Boulevard, Suite 150
Hamilton, NJ 08619

Phone: 888.580.2455
Fax: 609.235.1011
sales@billtrust.com

THE LEADER IN
PAYMENT CYCLE
MANAGEMENT
SOLUTIONS

Billtrust provides payment cycle management solutions to accelerate invoice-to-cash. By integrating invoice delivery, invoice payment, and cash application, Billtrust delivers a flexible solution to improve buyer satisfaction and DSO.



www.billtrust.com

© 2017 Billtrust. All Rights Reserved. Billtrust and the Billtrust Logo are registered trademarks of Billtrust.