



# Visa Enhanced Data Service Guide

How to lower operating costs  
and maximize efficiencies  
through spend analysis





# Visa Enhanced Data Service Guide

Smart businesses realize that payments and receivables are more than an administrative task; they can represent a competitive advantage. That's why more and more businesses are using Enhanced Data (EnData) to reduce their purchasing costs through detailed spending analysis, policy compliance, and expense controls.

Visa Enhanced Data Service, available on Visa® Commercial card programs — Visa Purchasing, Visa Corporate, and Visa Commercial Cards — provides EnData from over 2,800 merchant locations across Canada and from over 2.7 million merchants worldwide.

*Understanding Visa Enhanced Data and how to use it is the first step towards realizing the benefits it offers. Along the way, there are numerous best practices your company can follow to help make the most of EnData.*



# The value of Enhanced Data

Typical credit card statements include some information about each transaction. But *Visa Commercial* cardholders have potential access to a wealth of data that can help them better understand their card usage. This data is divided into three categories based on level of depth.

**Level 1 data** is the information found on a typical card statement: merchant name, city, date and amount of transaction.

**Level 2 and Level 3 data** are collectively known as **Enhanced Data**. Clients with supported *Visa Commercial* card programs can obtain detailed transaction information, such as that shown in the table below, from participating suppliers. This information is passed electronically from suppliers to the card issuer’s reporting systems.



INFORMATION PROVIDED		DATA LEVEL: 1 2 3			
<b>Basic financial data</b>		Cardholder information	•	•	•
		Transaction amount & date	•	•	•
		Currency code & conversion	•	•	•
		Merchant name, etc.	•	•	•
<b>Enhanced Data</b>	Purchasing categories	Sales tax breakdown	•	•	
		Customer reference (e.g. P.O. or invoice number)	•	•	
		Merchant order number	•	•	
	T&E categories	Sales tax breakdown	•	•	
		Airline & rail: passenger name, carrier, city pair, service class	•	•	
		Hotel: duration of stay, daily rate, folio number	•	•	
		Car rental: days rented, daily rate, car class	•	•	
	Purchasing categories	Product code	•	•	
		Item description	•	•	
		Item quantity	•	•	
Item unit of measure and unit price		•	•		
Discount amount		•	•		
Ship to/from		•	•		
T&E categories	Airline & rail: arrival & departure times, trip legs, etc.	•	•		
	Hotel: incidental charges (parking, phone, minibar, etc.)	•	•		
	Car rental: renter name, insurance, fuel, etc.	•	•		
	Fuel: type, quantity, unit price, non-fuel subtotals, etc.	•	•		

### Best practice companies...

- Understand the use of Enhanced Data and the applications of Level 2 vs. Level 3 data
- Choose a card program partly based on EnData availability
- Recognize the role EnData plays in overall spend analysis
- Communicate EnData’s value to internal stakeholders

The underlying value of consolidated, detailed data is well understood — in fact, 73% of Canadian medium- and large-sized companies said Level 3 data is very or fairly important.<sup>1</sup> Visa Enhanced Data Service provides the sort of comprehensive information you need to help track spend, maximize purchasing efficiencies and minimize program administration.

<sup>1</sup> Purchasing Cards — Usage and Attitude Study, Burak and Jacobson, Sept. 2001

# What does Enhanced Data look like?

Level 2 and 3 data is delivered electronically and can be broken down a number of ways, including by participating merchant category code (MCC), supplier name, cardholder, cost center, and others. Though reporting software layouts vary, Enhanced Data may look similar to this:<sup>2</sup>

Purchasing Supplier Detail							<b>Company:</b> Sample Co. Inc. <b>Card Type:</b> Purchasing <b>Card Accounts:</b> All card accounts <b>Cycle:</b> Billing from 08/01/07 to 08/31/07		
Cardholder Name	Card Account No.	Trans. Date	Posting Date	Supplier Location	Transaction Amt.	GST	PST		
Line Item Qty. & Desc.	Unit	Item Amt.	PST	Line Item Total					
<b>Office Supplies</b>									
<b>2</b> Maple Leaf Office Supplies Inc.									
<b>4</b> Downe, Scott	4444020000000008	08/01/07	08/02/07	Canada, BC, Vancouver	\$39.55	<b>3</b> \$2.10	\$2.45		
<b>5</b> 10 Gel pens	A6288	ea 2.50	GST 1.50	PST 1.75	Total 28.25				
<b>5</b> 5 Notepads	R4557	ea 2.00	GST 0.60	PST 0.70	Total 11.30				
Jacobs, Emily	4444020000000012	08/14/07	08/14/07	Canada, BC, Vancouver	\$180.80	\$9.60	\$11.20		
40 Binders	A99194	ea 4.00	GST 9.60	PST 11.20	Total 180.80				
Maple Leaf Office Supplies Inc. Totals				2 Transactions	\$220.35	\$11.70	\$13.65		
Vancouver Business Supply Co.									
<b>6</b> Murphy, Chloe	4444020000000006	08/21/07	08/23/07	Canada, BC, Vancouver	\$791.00	\$42.00	\$49.00		
7 Copier toner	3321841	ea 100.00	GST 42.00	PST 49.00	Total 791.00				
Vancouver Business Supply Co. Totals				1 Transaction	\$791.00	\$42.00	\$49.00		
<b>Office Supplies Totals</b>					<b>3 Transactions</b>	<b>\$1,011.35</b>	<b>\$53.70</b>	<b>\$62.65</b>	
<b>Software</b>									
Computer Software Stores Ltd.									
Smith, Joseph	4444020000000011	08/07/07	08/08/07	Canada, BC, Richmond	\$1,130.00	\$60.00	\$70.00		
1 Network OS	60110092	ea 1000.00	GST 60.00	PST 70.00	Total 1130.00				
Computer Software Stores Ltd. Totals				1 Transaction	\$1,130.00	\$60.00	\$70.00		
<b>Software Totals</b>					<b>1 Transaction</b>	<b>\$1,130.00</b>	<b>\$60.00</b>	<b>\$70.00</b>	

1. View transactions for all company card accounts, individual cardholders, or specific departments. Choose a specific date range as well.
2. Categorize spending by MCC and by specific merchant to analyze spending patterns and identify spending outside policy.
3. Automatically breakout taxes, with separate GST and PST amounts to facilitate reporting.
4. Receive detailed transaction records including item quantities, descriptions, and unit numbers to enable inventory and materials tracking.
5. Easily identify line item details such as unit cost, sales tax, and item totals.
6. Quickly view additional transaction details, such as duty, freight, discounts, and travel itinerary where applicable.

<sup>2</sup> Data shown is for illustration purposes only

# The benefits of Enhanced Data

Whether it's through readily quantifiable results such as improved vendor negotiations, or administrative efficiencies such as easier tax calculation for compliance purposes, Enhanced Data is useful to any company with an interest in spend analysis. Some benefits of EnData are as follows:

## PROGRAM ADMINISTRATION

- Enables monitoring of employee and supplier transactions
- Delivers procurement data directly to your account management reporting system
- Maintains a single repository for procurement data

## ACCOUNTING AND RECONCILIATION

- Facilitates budget reporting and allocation to the general ledger and cost centers
- Eases e-procurement reconciliation
- Assists in reimbursement activities and reconciliation of cardholder statements

## TAX REPORTING

- Level 2 data provides a breakdown of GST, PST, HST, etc.
- Level 3 data can help fulfill your audit requirements for GST reporting to the Canada Revenue Agency

## SUPPLIER NEGOTIATIONS

- Presents a company-wide view of all *Visa* Purchasing, *Visa* Corporate, and *Visa* Commercial Card spend
- Provides detailed information on purchases which can be used to negotiate prices with suppliers

## COMPLIANCE

- Helps monitor adherence to purchasing policies, including the use of non-preferred vendors



### Best practice companies...

- Have an established card program
- Ensure that card program administrators are available to receive, integrate and use EnData
- Ensure that reporting tools to receive and analyze EnData are available from their card issuer

# The role of suppliers

Participating suppliers play a key role in the flow of Enhanced Data; in fact, most suppliers who pass Enhanced Data do so because their buyers have requested the service. It's important to analyze your relationships with your suppliers to understand what data is currently being provided, and to assess how receiving Enhanced Data can benefit your business.

Choosing to pass Enhanced Data offers a competitive advantage to suppliers, as businesses are increasingly demanding such reporting in order to facilitate their own spend analysis. If necessary, your *Visa*-issuing financial institution will work with you to help get your key suppliers to adopt Visa Enhanced Data Service.

Below is a small sample of the thousands of merchants who participate in the Visa Enhanced Data Service:<sup>3</sup>

TRAVEL & ENTERTAINMENT	OFFICE SUPPLIES & SERVICES	INDUSTRIAL SUPPLIERS
<ul style="list-style-type: none"> <li>• Air Canada</li> <li>• American Airlines</li> <li>• Avis</li> <li>• Budget</li> <li>• Comfort Inns</li> <li>• Hertz</li> <li>• Holiday Inns</li> <li>• Hyatt Hotels</li> <li>• Marriott</li> <li>• Sheraton</li> <li>• United Airlines</li> <li>• USAir</li> <li>• Westin</li> <li>• WestJet</li> </ul>	<ul style="list-style-type: none"> <li>• Amazon.ca</li> <li>• Bell Mobility</li> <li>• FedEx Grand &amp; Toy</li> <li>• FedEx Kinko's</li> <li>• LexisNexis</li> <li>• Purolator Courier</li> <li>• Shred-IT</li> <li>• Statistics Canada</li> <li>• Telus Mobility</li> <li>• UPS</li> </ul>	<ul style="list-style-type: none"> <li>• Air Liquide</li> <li>• BOC Canada</li> <li>• Canadian Linen &amp; Uniform Service</li> <li>• GE Healthcare Bioscience</li> <li>• The Home Depot</li> </ul>
		FUEL
		<ul style="list-style-type: none"> <li>• ExxonMobil</li> <li>• Texaco</li> </ul>

## Best practice companies...

- Develop preferred supplier criteria based partly on EnData capabilities
- Work with their card issuer and current suppliers to identify EnData providers
- Ensure EnData provision is a requirement in all RFPs sent to card-accepting suppliers
- Discuss EnData provision during contract negotiations with suppliers
- Communicate with their payment network and card issuer to ensure key suppliers pass EnData
- Work closely with preferred suppliers to coordinate the process of implementing EnData
- Meet with suppliers, issuers and acquirers to ensure EnData implementation is seamless

<sup>3</sup> As of July 2007

# Integrating Enhanced Data

Integrating basic spend data into your ERP or financial reporting system is necessary in order to facilitate reconciliation, payment and reporting. But Visa Enhanced Data provides compelling benefits above and beyond basic account management, further facilitating cost allocation, tax reporting, and compliance.

Enhanced Data performs well against other B2B data types in terms of utility, benefits, and ease of use.

DATA TYPE	BENEFITS	CONSTRAINTS
Commercial card with Enhanced Data	<ul style="list-style-type: none"> <li>Transaction data can be easily mined/reported</li> <li>Inexpensive for clients</li> </ul>	<ul style="list-style-type: none"> <li>Available exclusively for card spend</li> <li>Relatively new to market</li> </ul>
Traditional Vendor Invoices	<ul style="list-style-type: none"> <li>Used for most transactions</li> <li>Some suppliers provide customized reports with client-specific data easily consolidated for mining/reporting purposes</li> </ul>	<ul style="list-style-type: none"> <li>Excessive manual processing for paper invoices</li> <li>Customized reports typically not easily consolidated for mining/reporting purposes</li> </ul>
E-Procurement and PO (Purchase Order) Data	<ul style="list-style-type: none"> <li>Transaction data can be easily mined/reported</li> <li>Data incomplete if supplier doesn't close purchase order</li> </ul>	<ul style="list-style-type: none"> <li>Costly to implement</li> <li>Usually used for indirect spend and some inventory categories</li> </ul>
EDI (Electronic Data Interchange)	<ul style="list-style-type: none"> <li>Transaction data can be easily mined/reported</li> <li>Independent of type of spend or payment type</li> </ul>	<ul style="list-style-type: none"> <li>Costly to implement</li> </ul>
EIPP (Electronic Invoice Presentment and Payment)	<ul style="list-style-type: none"> <li>Transaction data can be easily mined/reported</li> <li>Independent of type of spend or payment type</li> </ul>	<ul style="list-style-type: none"> <li>Costly to implement</li> <li>Currently, limited support in the Canadian market<sup>4</sup></li> </ul>

### Best practice companies...

- Work with their card issuer to integrate EnData into their ERP or financial accounting system
- Receive EnData for card purchases
- Integrate EnData into employees' expense reimbursement/cost allocation systems to improve convenience

<sup>4</sup> Visa Canada Enhanced Data Study, Deloitte, 2007

# Measuring your benefits

Given the pressures on all businesses to increase profitability by lowering operating costs, the spend management capabilities provided by Visa Enhanced Data Service can prove invaluable. One example: using Level 3 data to negotiate optimal pricing from a supplier can result in cost reductions of 5% to 10%.<sup>5</sup>

In a world where \$1 in cost savings has the same effect on the bottom line as \$10 of revenue, such cost reductions — multiplied many times over for different transactions and suppliers — can have a significant impact on your company's financial health.

As a feature of *Visa Corporate, Purchasing and Commercial Cards*, Visa Enhanced Data Service adds value by fostering customer acquisition and retention, increasing cost savings, and helping to ensure regulatory compliance.

**Your competitors may already be taking advantage of what EnData has to offer — shouldn't you?**



## Best practice companies...

- Measure the value of their EnData program and develop strategies to expand it
- Derive specific, quantifiable benefits from EnData, such as:
  - card use as a strategic spending tool
  - improved purchasing policy controls
  - vendor compliance to contracts
  - spend validation from non-contract suppliers

<sup>5</sup> Based on Visa International Enhanced Data Study, Deloitte, 2002

# More information and next steps

For more information on how Visa Enhanced Data Service can help turn your payment processes into a competitive advantage, visit [visa.ca/largecorporate](https://visa.ca/largecorporate) or contact a Visa-issuing financial institution:



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