



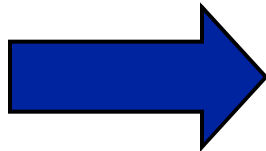
Commercial Solutions

Client Value Proposition VISA[®] Purchasing Card Program

Current Market Environment

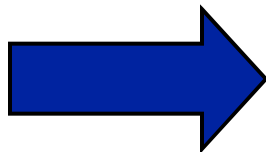


Marketplace
Needs



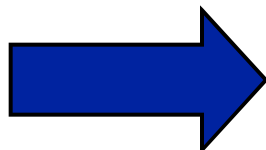
- n Manage cash flow more efficiently
- n Improve purchasing processes
- n Maximize ROI on technology investments
- n Reduce purchasing costs

Trends in
Procurement



- n Electronic payments
- n Straight-through-processing
 - Order to reconciliation
- n Receivables automation

Role of Visa



- n Provide electronic payments infrastructure
- n Expand the acceptance network
- n Enable systems integration
- n Deliver payments expertise

Visa Capabilities



n VISA Brand Strength and Value



n Global Operations Network

- World-class processing
- Improved risk management & fraud prevention tools
- New technology development & support



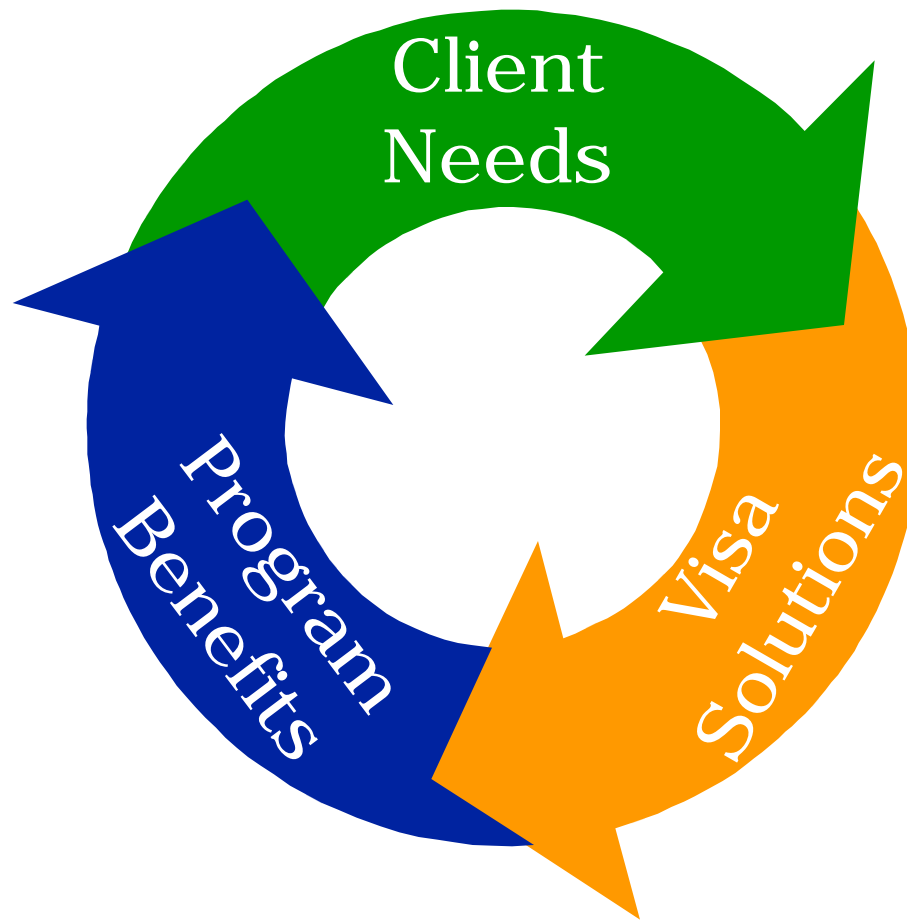
n Global Distribution through Member Network

VISA Purchasing Card Program – Capabilities



- n Efficient purchasing and payment mechanism
- n Spending limits and merchant blocking
- n Delivery of payment and transaction information
- n Links to major Enterprise Resource Planning (ERP) and accounting solutions
- n Ability to aggregate data by supplier to negotiate discounts
- n Unsurpassed global acceptance

VISA Purchasing Card Program – Delivering Value



VISA Purchasing Card Program- Procurement Market Needs



Needs

Cost Reduction

- ▶ Reduce process costs by streamlining purchasing process

Controls

- ▶ Maintain control over company spending

Information

- ▶ Reconcile payment and order information

Integration

- ▶ Integrate with procurement & enterprise systems

Sourcing

- ▶ Rationalize supplier base & negotiate discounts

Trust

- ▶ Trusted payment utility between unknown parties

Procurement Market Needs – Cost Reduction



Cost Reduction

Reduce costs in the purchasing process

For most companies, the acquisition of goods and services is a labour intensive, largely manual paper-based process. The problem is magnified for maintenance, repairs and operations (MRO) and ad hoc purchases, which account for large transaction volumes, but relatively low-dollar purchases. Companies recognize the need to simplify and streamline procurement, reduce the number of paper-based transactions such as purchase orders and cheque requisitions, and decrease the need for petty cash accounts and cash advances.

Procurement Market Needs - Control



Controls

Tools to control company spending

Business owners, shareholders, and government regulations require companies to control and account for their procurement expenditures. To adhere with these requirements, companies have created departments, policies and processes to approve, monitor and track spend. A procurement and payment solution should generate records of all purchases to ensure control and provide a clear audit trail.

Procurement Market Needs – Information



Information

Information to reconcile payments

The traditional purchasing process is labor-intensive and paper-based as a result of a requirement to produce information about the type, quantity, cost and tax associated with the purchase of goods and services. Companies require purchase information to properly account and allocate company expenditures to the balance sheet. Procurement information is also necessary to support compliance and reporting.

Procurement Market Needs – Integration



Integration

Integrate with procurement & enterprise systems

Businesses have invested in Enterprise Resource Planning (ERP), accounting, procurement and other enterprise applications. To a large extent, these systems require information generated by outside vendors and suppliers. As a result, companies have a need to integrate this information from disparate sources and systems and integrate it into their existing technology infrastructure. There is a growing movement to create common standards and formats.

Procurement Market Needs – Sourcing



Sourcing

Rationalize supplier base & negotiate discounts

Sourcing has come under increasing focus from businesses as an area to achieve savings. A generally accepted statistic is that \$1 in cost savings has the equivalent impact to the bottom line as \$10 of revenue. Companies have thousands of vendors and lack the information to rationalize and successfully negotiate with their vendors. Maintaining and managing these relationships is costly. Companies that do not centralize procurement around a number of key vendors, forgo opportunities to negotiate volume discounts with key suppliers.

Procurement Market Needs - Trust



Trust

Trusted payment utility between unknown parties

Companies seek a viable, trusted payment option for use in the physical and virtual worlds. Increasingly, organizations are buying more goods and services from unknown companies. Buyers need a global payment solution which provides recourse and suppliers require a solution which ensures prompt, full payment.

VISA Purchasing Card Program - Solutions



Needs

Solutions



- ▶ Core Features
- ▶ Spending Controls
- ▶ Management Reporting Software
- ▶ Visa Procure-to-Pay Best Practices
- ▶ Tax Best Practices Study
- ▶ How Business Buys

Core product features that deliver value to cardholders

n Centralized billing

n Local currency billing

n Management information reporting

- Flexible reporting features, information management and data tracking tools enhance your control of the entire purchasing process

n Transaction authorization controls

- Ability to set transaction limits and block merchant categories

n Individual memo statements

n Corporate liability insurance program

- Insurance of up to \$50,000 to guard your company against card misuse and unauthorized transactions

n Emergency card replacement

VISA Purchasing Card Program – Spending Controls



Manage employee spend with enhanced spending controls

n Spending controls include:

- Transaction authorization limits
- Merchant Category Code blocking

n Used to manage amount of spend

n Can limit corporate liability

n Transaction authorization limits may be applied to an individual employee or by hierarchy

- Departments, Job level, Project




n Most frequent spending controls are by:

- Transaction amount, volume, or number of transactions
- Merchant category code
- Billing cycle

VISA Purchasing Card Program – Management Information Reporting



A comprehensive suite of reporting services

- n Includes web-based reporting tools**
- n Data collection and delivery capabilities**
- n Includes:**
 -  Visa Enhanced Data Services
 -  Management Information Reporting
 -  Data collection, consolidation and delivery

VISA Purchasing Card Program – Enhanced Data Services



Different Levels of Data

– Level One (Financial Data):

Minimum amount of data required to clear and settle the financial transaction.

Includes merchant name, city, amount of sale, and date of sale.

Level One is the information you find on your basic VISA card statement.

– Level Two (Enhanced Data):

Breakdown of sales tax data (GST, PST, HST, QST where applicable) and customer reference indicator.

This information could be used for purchase order (PO) number, general ledger (GL) code or account number, etc.

– Level Three (Enhanced Data):

Also known as Line Item Detail.

Additional transaction data elements that a client requires.

Includes product description, quantity, discount amount, product code, etc.

n Procurement line item detail is available through participating suppliers

VISA Purchasing Card Program – Flexible Data Delivery



Powerful and flexible data management capabilities¹.

n Extract data files in common file formats

- Comma-delimited, spreadsheet (Microsoft[®] Excel or similar packages), database, and HTML

n Deliver files pre-formatted for loading into general ledger or accounts payable system

n Provides secure, web-based tool for downloading files (Visa File Exchange)

n Flexible delivery schedule (daily, weekly, monthly)

1. May vary depending on the client's reporting software.

VISA Purchasing Card Program – Visa Procure-To-Pay Best Practices



Actionable tools that identify savings

n Best Practices study

- Identifies demonstrated practices of medium and large-size companies, their associated benefits, implementation steps, and experience gathered from actual implementation successes of Canadian companies

n Performance Gauge

- Enables analysis of organization's entire procure-to-pay process and commercial card management
- Benchmarks processes
- Identifies process and cost reduction opportunities

n Commercial Card ROI Tool

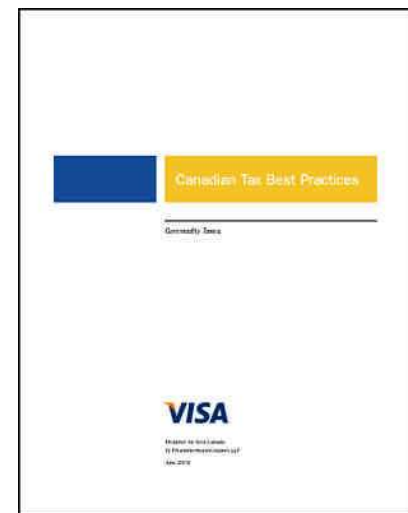
- Monitors financial goals over a 3-year period
- Tracks actual performance against goals

VISA Purchasing Card Program – Tax Best Practices Study



Concrete guidelines to assist in the management of Canadian commodity tax compliance

- n Visa Canada offers Tax Best Practices to help medium to large-size organizations manage tax compliance within a VISA Purchasing Card Program**
- n 2003 study conducted by PricewaterhouseCoopers, and updated from the original study published in 1998**
- n Addresses concerns regarding commodity tax compliance practices in connection with a VISA Purchasing Card Program**
- n Findings in current publication are consistent with the 1998 study**
- n Businesses showing less anxiety about tax compliance issues particularly in organizations which have had a Purchasing Card Program in place for a number of years**

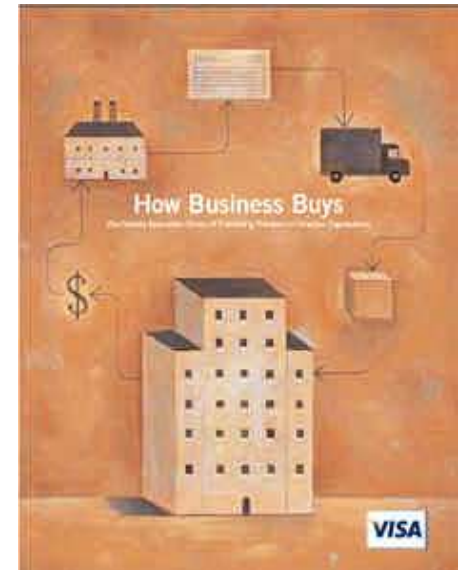


VISA Purchasing Card Program – How Business Buys



Identifies key emerging trends about ordering, billing and payment processes of medium to large size Canadian businesses

- n**Helps procurement professionals to understand where their organizations are relative to the industry's norms
- n**A national study examining current purchasing practices and future trends of medium and large-size Canadian organizations including T&E purchasing practices
- n**Explores the ordering, billing and payment processes, and helps purchasing professionals understand the impact of new technologies, including how purchasing will evolve over the next 5 years.



VISA Purchasing Card Program – Client Benefits



Reduce
Cost

- β Streamlines procurement processes
- β Facilitates strategic sourcing
- β Tracks and identifies savings opportunities
- β Increases employee efficiency

Provide
Control

- β Provides point-of-transaction controls
- β Offers audit capabilities
- β Monitors compliance to company policy

Maximize
Investments

- β Integrates with accounting & ERP systems
- β Maps transaction data to invoice-level data
- β Enables electronic reconciliation & reporting

VISA Purchasing Card Program

Learn More



nTo learn more about the *Visa* Purchasing Card Program please contact your ***Visa-Issuing Financial Institution***.