

Informatica Solution for Continuous Monitoring for Card Programs: ROI Summary

Persistent Corporate Card Loss Controls

CHALLENGE:

Increase corporate card revenue by encouraging faster program growth with existing customers while acquiring new customers with innovative card programs.

Solution:

Complete and immediate detection of policy violations and suspicious corporate card use. Continual analysis of all transactions with consistency and precision—delivering instant intelligence to both program managers and cardholders.

Results:

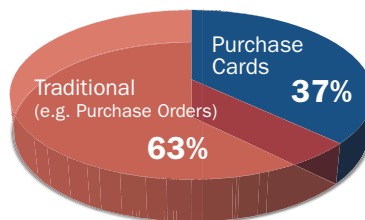
Sustainable revenue gains through capabilities that deliver cost savings and efficiency gains to card program customers—increasing their confidence, retention, and program growth.

Introduction

Within the competitive corporate payment services industry, corporate card program issuers are looking to differentiate themselves in a straightforward, sustainable way. Many issuers now recognize that rebates and signing incentives are no longer enough. Informatica’s solution for Continuous Monitoring for Card Programs distinguishes itself through improved efficiency, persistent loss controls, and clear cost savings. This is especially relevant in a down economy, as corporations scrutinize their operations and expenditures for loss, waste, and inefficiency. Based on Informatica® Rulepoint® the Informatica solution for Continuous Monitoring for Card Programs offers a unique ROI: for card issuers it accelerates revenue; for corporate card program customers it offers increased efficiency, greater policy compliance, and reduced program costs.

Market Opportunity

Today, only 37 percent of corporate purchases under \$2,500 are being made with Purchasing Cards (P-Cards).¹ With continuous analysis of all P-Card purchases, Informatica Rulepoint increases confidence to expand card programs and maximize program benefits.



P-Card Expansion Opportunity

Recently, the National Association of Purchasing Card Professionals (NAPCP) identified several areas for card program expansion, including:

- **Payment for Services:** Increasing card spend on services such as consulting and contractor services.
- **P-Card for Travel:** Allowing certain cardholders to use their cards as payment methods for travel-related expenses.
- **Types of Purchases:** Using P-Cards for large ticket items, capital expenses, and meeting expenses.
- **Cardholder Base:** Expand card distribution to business units or employees not using cards.

¹Palmer & Gupta 2007 Purchasing Card Benchmark Survey

BUSINESS DRIVERS

- Corporate card issuers are looking for innovative capabilities to increase customer confidence and expand current spending limits.
- Costs associated with time-consuming and ineffective procedures for periodic, manual report analysis need to be reduced or eliminated.
- Current data mining and reporting tools cannot accommodate unique customer policies.

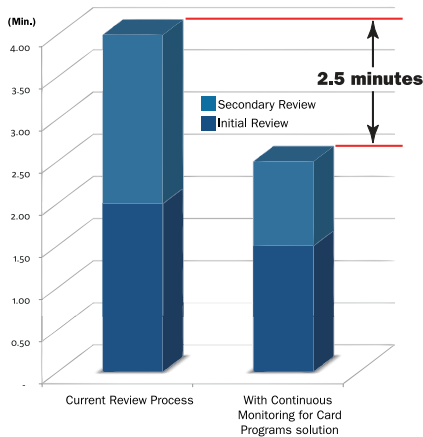


Fig. 1 Time Savings Per Transaction Analyzed

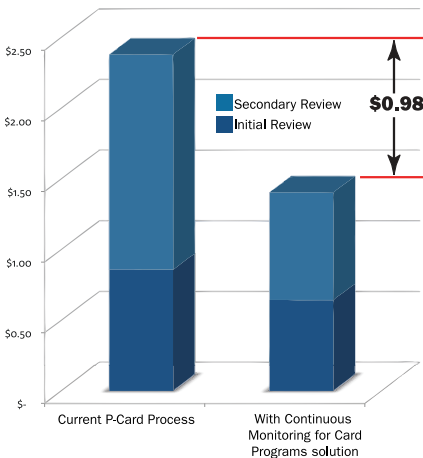


Fig. 2 Cost Savings Per Transaction Analyzed

Growth Challenges

Each of the four areas for card program growth present new challenges. For example, when companies choose to use P-Cards to pay for services such as consulting, there are unique requirements for 1099 reporting and compliance. Companies require integration with a 3rd party system to properly flag transactions for 1099 policy violations and trigger compliance checks. Thus, being able to integrate with such systems and trigger such downstream processes represent key requirements for successfully expanding P-Card programs.

Expanding a card program requires organizations to spend additional person-hours auditing transactions to ensure compliance. According to an NAPCP survey, a program with 400-699 cards has, on average, 1.8 FTEs for management, and a program with 4,000 or more cards averages nearly seven FTEs, most of whom fulfill support roles. Minimizing the FTE burden is essential for rapid program adoption and growth.

Improved Program Efficiency & Cost

Card program managers are typically dependent upon routine custom report generation, manual analysis, and a time-intensive review process to ensure policy compliance. The manual review process comprises approximately 12 percent of the total cost to process a single transaction.

Rulepoint provides long-term economies of scale. Rulepoint's automated analysis capabilities reduce existing manual review efforts by up to 40 percent (Fig. 1).

Rulepoint nearly doubles productivity, eliminating a traditionally high barrier to P-Card program expansion by minimizing the associated FTEs for the transaction review process. This reduction in review time results in an estimated 40 percent cost savings per transaction from the current manual P-Card review process (Fig. 2).

For example, a \$50MM annual card program with an average of 178,000 transactions per year will save over \$174,000 per year as a result of Rulepoint's automated, comprehensive review capabilities.

Increased Policy Compliance

Following up on repeated reports of credit card abuse at various federal agencies, the Government Accountability Office (GAO) examined spending controls. The GAO report indicated that over 40 percent of purchases, or \$5.8 billion in transactions, did not adhere to established audit procedures. Though many of these purchases were not fraudulent, such non-compliance creates higher administrative costs due to unnecessary administrator follow-up, unrealized rebates, and the loss of collective buying power. By automatically identifying non-compliant transactions, Rulepoint improves policy adherence and helps eliminate loss, waste, and inefficiency. Rulepoint is a virtual auditor that automatically and immediately identifies non-compliant spending such as:

- Split purchases
- Unusual weekend or holiday purchases
- High transaction velocity
- Using closed accounts
- Approved forced overrides
- Purchases from banned merchants
- After hours purchases
- Unauthorized purchases
- Transactions after employee termination

Additionally, Rulepoint integrates with 3rd party systems to flag transactions and trigger downstream business processes (e.g., ERP, GL, AP, etc.).

Revenue Acceleration

Rulepoint increases customer confidence, as efficiency and cost savings are gained; thus, card issuers can anticipate an acceleration of the average revenue growth of 12ⁱⁱ percent to 13.5 percent per year. For example, a typical \$1 billion card program would see an estimated \$15 million increase in aggregate card spend and increased revenues of \$388,000 within the first year of implementing Rulepoint. Over five years, this same program would see a cumulative revenue gain of \$7 million (Fig. 3).

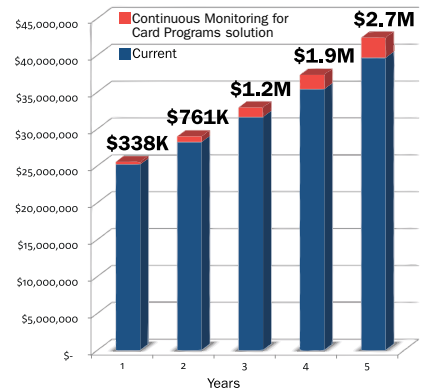


Fig. 3 Rulepoint Revenue Gain of \$7M

ⁱⁱPalmer & Gupta 2007 Purchasing Card Benchmark Survey

Learn More

Learn more about the Informatica Platform. Visit us at www.informatica.com or call +1 650-385-5000 (1-800-653-3871 in the U.S.).

About Informatica

Informatica Corporation (NASDAQ: INFA) is the world's number one independent provider of data integration software. Organizations around the world gain a competitive advantage in today's global information economy with timely, relevant and trustworthy data for their top business imperatives. More than 4,000 enterprises worldwide rely on Informatica to access, integrate and trust their information assets held in the traditional enterprise, off premise and in the Cloud.

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