Show Me The Money
Moving AP Away from Cost Centre and toward Profit Centre

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Shared Problem:
Problem for Many of Us (revenue decline 2014-2036):

- Less University Age Population
- Risk of declining enrolment
- Growing alternatives
Words of the Decade:

Efficiency Projects - PIFs
Restructure "Policy Levers"
Redesign

Go Lean

DO MORE WITH LESS

Shared Services
Financial Affairs Objective:

Increase Revenue

Without Impacting Students
What if:

Increase Revenue

Without Impacting Students
Do you currently use a University-wide Procurement Card program that provides you a rebate based on purchase dollar volume?
Solution:

Show Me the Money
Innovate: AP issued PCards

- **How it works:**
  - For purchase order invoice payments, AP pays using the corporate ghost PCard.

- **Target:**
  - PO’s that can be paid with 1 lump sum payment
  - Identify suppliers willing to accept credit card
  - Transactions >$10,000
  - Procurement closes PO and clears encumbrance
Solution:

- **BMO PCard Corporate Rebate:**
  - Important to negotiate a good rebate return with your procurement card provider (Procurement Lead or through a Provincial Collaborative Buys Program)
  - Rebate formula based on:
    - Spend volume
    - Settlement period (payment grace period)
    - Average spend per card
  - Our Cumulative Net Transaction Volume (CNTV) for 2015/16 was ~$25m
Outcomes:

- 2013/14 PCard Rebate $99,600 (partial year OECM)
- 2014/15 PCard Rebate $250,000
- 2015/16 PCard Rebate $300,000
- 2016/17 PCard Projected Rebate $350,000
Reaching the Finish Line:
Hurdles:

- Policy Changes
- Data Integration
- Rebate Program
- Buy-In
Steps:

1. Negotiate a favourable PCard Rebate Program (tiered)
2. Promote PCard Use/Adoption
3. Request 2 Corporately Held Virtual PCards
4. Partner the Project with Procurement

GOAL: NO PAYMENTS WITHOUT REBATE OR DISCOUNT
Key Concepts:

- Impact on Quality of Work
- Impact on Productivity
- Resource Implications
- Return on Investment

Issues:
- Encumbrance Clearing
- Supplier resistance
Project Portability:
Phase 1: Roll Out – University PCard program

Phase 2: Roll Out – AP PCards for key payments

WIP Phase 3: Roll Out increased PCard Limits

New Phase 4: Integrate PCard Rebate/Discount objectives with eProcurement
Questions ?
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