For many companies, virtual terminals -- which facilitate the processing of electronic transactions such as card and Automated Clearing House (ACH) payments -- represent the first step towards financial supply chain automation. No wonder: although virtual terminals can be deployed quickly and with no investment in hardware, they greatly simplify a company’s payments infrastructure, while reducing exceptions handling and cash application costs, and increasing visibility in payments.

There are a number of feature-rich virtual terminals on the market today.

But far too many companies are falling into the trap of selecting virtual terminals that offer no capabilities beyond electronic payment processing. The last thing any organization needs is another standalone or siloed solution. Yet that’s exactly what companies get when they select virtual terminals that don’t offer incremental services that drive even greater functionality and value.

For starters, a self-service Web portal and electronic invoice distribution are two natural extensions of the electronic capabilities provided by a virtual terminal. A self-service portal can significantly reduce inbound supplier and customer inquiries, while electronic invoice distribution and processing can reduce transaction processing costs, accelerate cycle times, and increase touch-less processing.

But some AP and AR platforms offer an even greater progression of capability and value, including:

- Dispute/deduction management
- Approval workflows
- Event notification
- Escalation procedures
- Dunning notices
- Multi-merchant processing
- Line-item detail
- Self-service electronic payment
- Dynamic discounting
- Pay-me-now (with financing)

None of this is possible with a virtual terminal solely designed for electronic payment processing.

While companies certainly reap significant business benefits by selecting a virtual terminal that is part of a more comprehensive AP and AR automation platform, the stakes are also high for the banks and third-party providers that service them. By having a ready migration path beyond virtual terminals, AP and AR service providers not only can meet today’s demand for electronic payment processing, they also can strengthen their existing customer relationships, attract larger clients, and reap the revenue (up-sell) potential of other procure-to-pay and order-to-cash functions.

To be sure, virtual terminals provide key benefits. But even greater business value is available to companies that think ahead and select an electronic payments solution that offers incremental AP and AR functionality. Where the capabilities of virtual terminals stop, these solutions keep going.

To learn more, contact Direct Insite at 631-873-2900 or visit us online at www.directinsite.com. We provide virtual terminal payment functionality as well as end-to-end AP and AR automation services.