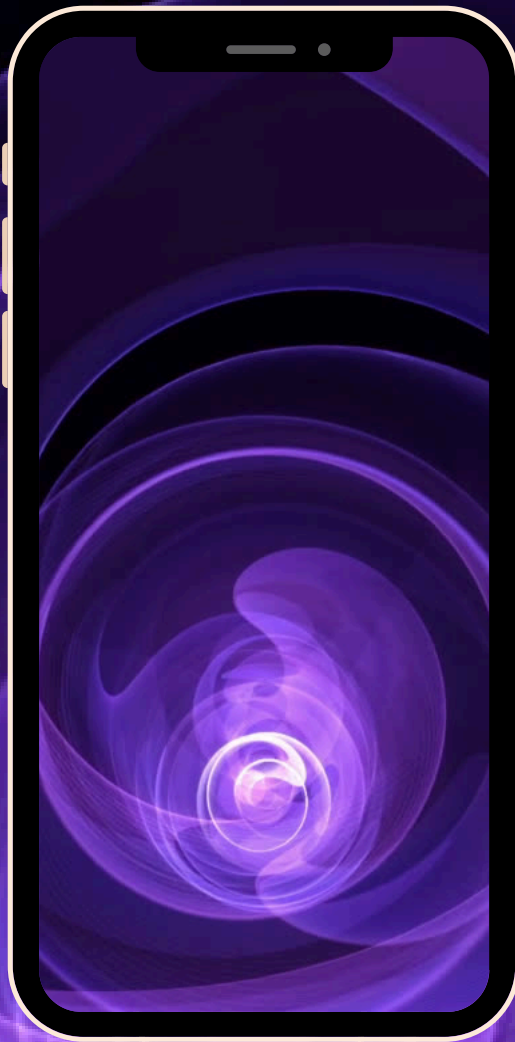


WhitePaper

Manage the unmanaged

Unlocking hidden value in indirect procurement



pay4you

in partnership with

AirPlus

INVOICES

**COST
MORE
THAN
YOU
THINK.**

WHAT'S ON THE AGENDA?

- 1 INTRODUCTION AND BACKGROUND
- 2 HIDDEN COSTS OF INVOICES
- 3 CRITICAL PROCUREMENT METRICS AND KPI'S
- 4 TREND: B2B VIRTUAL CARD USAGE
- 5 PAY4YOU: OUR PROPOSITION
- 6 A PRACTICAL EXAMPLE



If you want to see what's in it for you, go to this part.

WHAT ARE THE CHALLENGES OF TAIL END SPEND?

Problem statement:

Managing small, recurring invoices may seem harmless, but it drains time and resources. Every manual step - approval, processing, reconciliation - pulls employees away from strategic tasks.

Key insight:

Tail spend (low-value, non-strategic spend) is often overlooked but can represent 20% of spend and 80% of invoices. Without control, this erodes efficiency and hides true costs.



Tail end spend: Time consuming.

The biggest savings are often hiding in plain sight.

Typical tail spend:

- Business services
- Temporary labor
- Office products
- Print and packaging
- Marketing services
- Signage and display
- Professional services
- Uniforms and apparel
- Facilities
- Travel expenses
- Gifts and premiums

A TYPICAL EXAMPLE OF TAIL END SPEND

TICKETS FOR A BUSINESS CONGRESS:
WHAT ARE THE REAL COSTS?

TICKETS →

Invoice sent per email

Supplier is not yet known in ERP system



€ 750

VS

WHAT ARE THE REAL COSTS?

Invoice value €750

Supplier creation €250

Purchase request, invoice processing and payment € 75

€ 1.075

ONBOARDING A NEW SUPPLIER

How long does it take to onboard a new, one-time supplier?

Onboarding a new supplier into an ERP system can range widely in duration. In straightforward cases without extensive risk checks, it may take less than a week.

Standardized processes typically require up to 30 days, while organizations with more complex approvals and risk assessments may need around 50 days. In large enterprises involving multiple departments such as Legal, Finance, and IT, the process can extend to 3 - 6 months.



30

DAYS

92% of suppliers work without approval

A staggering 92% of suppliers undertake billable work without being formally approved as suppliers: 20% always, 29% most of the time, and 49% occasionally.

This practice creates significant risks:

- Non-payment disputes, contractual issues, and reputation damage
- Supplier onboarding and registration was cited as the single biggest pain point by 50% of suppliers - double the frustration compared to due diligence checks (24%)
- Other barriers include poor data sharing, incompatible ERP systems, and fragmented procurement platforms
- Despite these frictions, suppliers continue delivering without approval, exposing companies to compliance and financial risks
- Virtual cards are positioned as a solution: they simplify payment, accelerate onboarding, and provide transparency in transactions—unlike slow, risk-prone methods like wire transfers or checks

Procurement and tail spend: Understanding the challenges

Tail spend—typically small, infrequent purchases outside of core contracts - represents a persistent challenge for organizations. While individually minor, collectively it can create inefficiencies, compliance risks, and missed savings opportunities. Understanding how tail spend is managed, highlights areas for improvement and potential for substantial cost savings.

Approval times consume time

Current analysis reveals several operational challenges: approval times vary widely across functions, with some taking 15–20 days compared to 10 days in best-in-class teams.

This delay slows procurement cycles and can affect project timelines. Renewals are processed faster than new purchases (35 versus 50 days), suggesting that simplifying workflows for new purchases could bring efficiency gains. On average, functions handle 10 requests per year, each taking roughly 30 days, with 20% of requests overdue.

WHY IT MATTERS?



Disproportionate administrative overhead



Cost leakage



Non-compliance

Distribution in spend

Spend is also highly concentrated: 20% of suppliers account for 80% of spend, while over 80% of suppliers make up the remaining 20%. Supplier compliance rates vary from 50% to 90%, signaling opportunities to tighten governance and enforce policies.

By addressing these issues organizations can gain greater control over tail spend, enhance efficiency, and unlock additional value from procurement activities.

Focus areas are reducing approval times, streamlining new purchase processes, increasing spend under management and improving supplier compliance.

WHAT ARE THE RISKS OF TAIL END SPEND?

- Risk of unauthorized, maverick spending
- Lack of visibility
- Unmanaged and difficult to track
- High costs of supplier management and transaction processing

Let Tom Cruise be the one- and-only Maverick.

**Maverick spend:
28–40% of spend happens
outside formal procurement
channels.**

It occurs when employees bypass established contracts or preferred suppliers, often due to a lack of awareness or understanding of company policies, or simply by choosing to ignore them.

Disclaimer: Reference to Tom Cruise and Maverick is for illustrative purposes only. There is no association with or endorsement by the actor or the movie.



THE POWER OF B2B VIRTUAL CARD PAYMENTS...

AND WHAT IS THEIR FUTURE?



B2B virtual card payments are digital, single-use card numbers issued for specific supplier transactions. Unlike physical cards, they exist only in a secure online format and can be customized with exact amounts, dates, and spending limits.

This makes them safer than traditional payment methods, while also enabling automated reconciliation, real-time spend visibility, and faster supplier payments. For businesses, they combine the efficiency of card payments with the control and transparency needed in procurement.

4. POWER OF VIRTUAL CARD ACCEPTANCE

A DISPOSABLE DIGITAL KEY

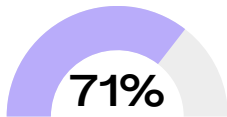
The B2B virtual card payment

Think of B2B virtual card payments as a disposable digital key: It's created for one door, one time, and then it disappears. Each key (virtual card number) is unique, tied to a single transaction, and useless afterward. That means suppliers get paid quickly and securely, while businesses gain full control and visibility - without the risks of handing out a permanent master key like a physical card or open bank account.

The power of B2B virtual card acceptance

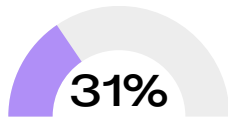
Virtual cards are highlighted as a major enabler of automation, reconciliation, and spend visibility. What is the impact of commercial card acceptance on B2B suppliers?

Key findings



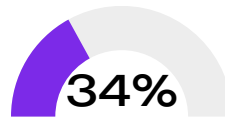
Working capital as key challenge

71% of suppliers cite working capital efficiency as a key challenge. Suppliers that accept commercial cards are 14% more likely to be highly efficient in managing working capital compared to non-acceptors.



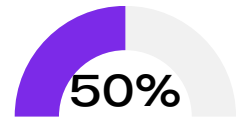
Improved transaction security

31% of respondents reported improved transaction security, while 25% saw a reduced risk of fraud.



Faster receipt of funds

34% of suppliers experienced faster receipt of funds and about one-third noted increased customer satisfaction due to card acceptance.



Expectation of buyers will pay more by card

Nearly 50% of suppliers expect that buyers will want to pay by card more frequently in the next five years, signaling a clear shift towards digital payment adoption.

THIS IS THE PART WHERE WE TALK ABOUT OUR PROPOSITION

You can skip this part if you do not recognize any of the challenges in the first part of this WhitePaper.



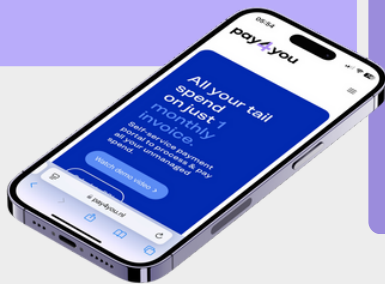
OUR PITCH

READING TIME: 2 MINUTES



All your long-tail spend on one monthly invoice? Yes, it's possible!

As the WhitePaper points out: 80% of spending is well managed, while the remaining 20%, the so-called long-tail spend, generates the majority of invoices and administrative hassle.



Pay4You Platform

With our platform, businesses can consolidate these expenses and streamline payments using (virtual) credit cards and bank transfers.

All transactions are centrally processed and appear on one clear, collective invoice.

This significantly reduces the number of individual invoices and optimizes your cash flow.



How does it work?

Request

The employee requests a (virtual) credit card via the Pay4You platform or submits a payment request for an invoice.

Add details

Additional references such as project numbers or product categories can be included.

Vendor screening

- Optional Supplier Screening
- Chamber of Commerce
- VAT
- IBAN-Name
- AML/KYB

Approval

Payments are reviewed based on pre-set company rules. Multi-level approval is supported.

Payment

The transaction is processed through Pay4You and settled via the selected payment method.

Invoice management

The receipt or invoice is uploaded to the Pay4You portal, ensuring smooth accounting and VAT recovery.

The benefits of Pay4You

Save up to 70% on your administrative costs

- Manage one supplier instead of thousands
- Major reduction in the number of invoices to process
- Better spend control and improved compliance
- Full transparency in all payments and immediate cost savings
- Automated approval processes for enhanced control and adherence to procurement policies
- Extend working capital

OUR PROPOSITION

- 1** Supplier instead of 100's.
That's us.
- 1** Invoice instead of 1.000's per month.
Administrative burden is gone.
- 1** Unified payment per month.
Suppliers are paid on time.
Freeing up working capital.

You can finally focus
on what matters:

**The
business.**

We digitally transform payment operations with intelligent use of virtual credit cards.

Our mission:

Pay4You's **mission** is to transform the way B2B payments are done by enabling companies to gain valuable process efficiencies, gain in-depth insights and control in spend, optimize cash flow irregularities and improve working capital.

Our vision:

Through an integrated technology solution with intelligent automation, we empower organizations to achieve operational excellence, optimize working capital and cost savings, ensuring better control and freeing up resources to focus on higher-value business priorities.

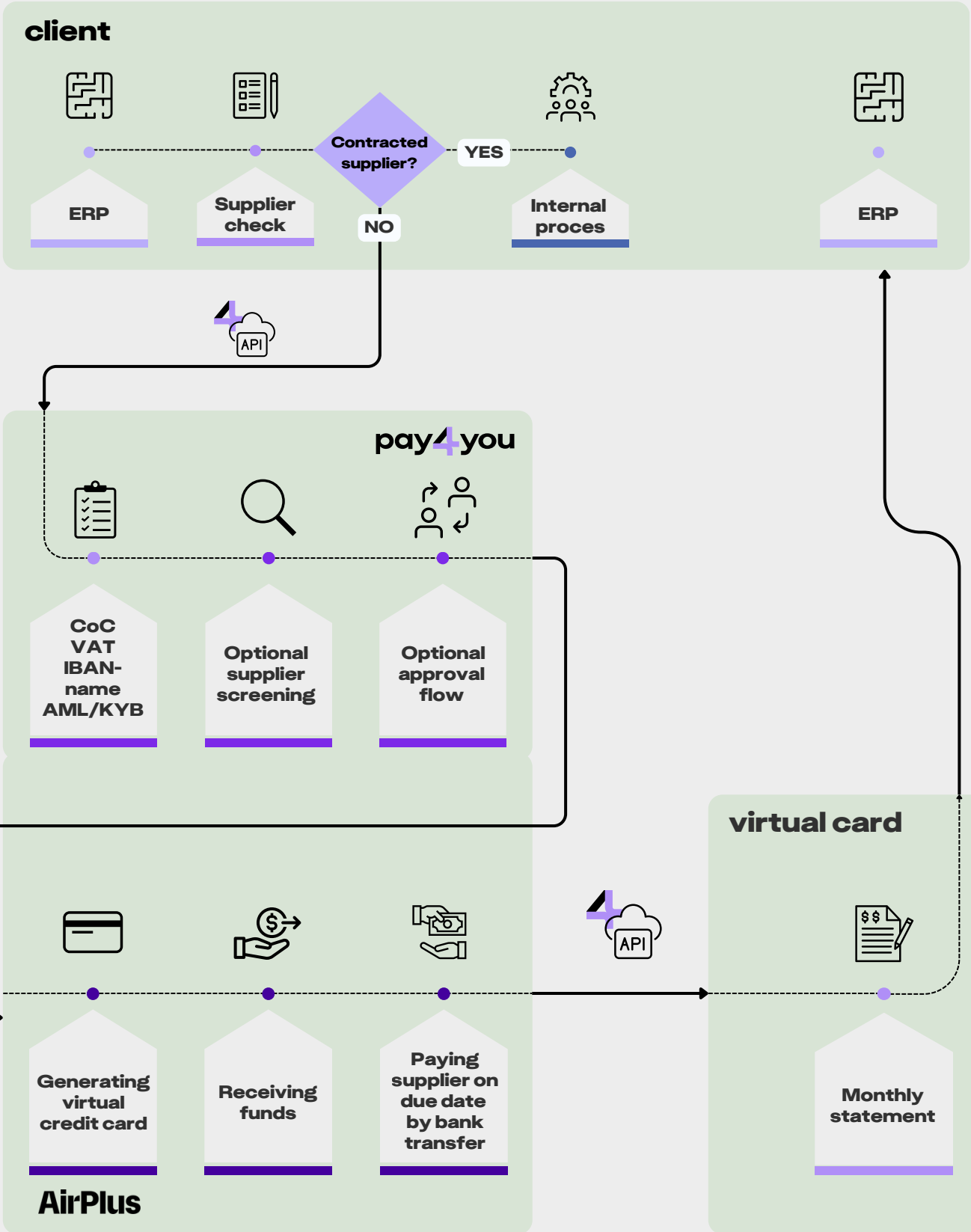


HOW DOES IT WORK?

- 1 Request**
The employee requests a (virtual) credit card via the Pay4You platform or submits a payment request for an invoice.
- 2 Add details**
Additional references such as project numbers or product categories can be included.
- 3 Approval**
Payments are reviewed based on pre-set company rules. Multi-level approval is supported.
- 4 Payment**
The transaction is processed through Pay4You and settled via the selected payment method.
- 5 Invoice management**
The receipt or invoice is uploaded to the Pay4You portal, ensuring smooth accounting and VAT recovery.



HOW DOES IT WORK?



5. PAY4YOU: OUR PROPOSITION

A PRACTICAL EXAMPLE

There is no average customer... But we took our experience and findings and made an example of what the impact of unmanaged tail end spend is.

Prove us wrong... or right with your own figures. Either way, we believe we can help you reduce your costs of tail spend significantly.

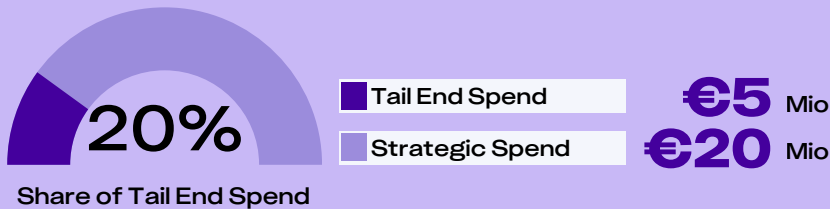
An example

To provide a relevant and realistic picture, we based our analysis on publicly available information .

From experience, we know that on average around 20% of total costs are non-strategic — typically made up of relatively small invoices. Despite their limited financial weight, these invoices often account for as much as 80% of the administrative burden, both in time and cost.

In the overview, you will also find an estimate of the typical indirect costs associated with onboarding a new vendor and processing their invoices. For these assumptions, we have relied on established industry benchmarks.

Total, strategic and tail end spend




Parameters: Current situation

# One time vendors	Cost of one-time vendor creation	# Invoices in Tail End Spend	Cost of invoice processing	Estimated administrative time (hrs)
1.039	€175	2.325	€30	1.217

Current Indirect Cost of Tail End Spend



A man with dark, wavy hair, a beard, and sunglasses is sitting on a brown leather couch. He is wearing a dark blue suit jacket, a light blue shirt, and a colorful patterned tie. He is holding two slices of pepperoni pizza. The background is a teal wall with a framed picture on the left and a window on the right.

pay4you

Stop ordering pizzas

Month-end closing shouldn't taste like cold salami and regret. With Pay4You, you can stop ordering pizza's to close the month, quarter or year. We take over your small invoice chaos.

We bundle thousands of low-value invoices into one clean, consolidated invoice. We pay your suppliers on time, so you don't have to worry.

So, no more approval drama. No more ERP gymnastics. No more staying late. So yes — your month-end just got a whole lot quieter. No more panicked closings. No more late-night pizza. We sincerely apologize to your local pizza delivery guy.

That's Pay4You.

pay4you

Let's
talk!

Contact

Melvin van Wingerden

CCO & Partner

+31 (0)6 319 724 81

melvin@pay4you.nl

www.pay4you.nl





Disclaimer

This WhitePaper was created by Pay4You for informational purposes only. All content is protected by copyright and may not be copied, shared, or used without prior written permission from Pay4You.

While we have taken care in preparing this document, Pay4You is not responsible for any errors, omissions, or outcomes from its use. All trademarks and brand names mentioned belong to their respective owners.

© 2025 Pay4You. All rights reserved.