

Case Study

Associated Asset Management



ASSOCIATED ASSET MANAGEMENT CUTS PAYMENT LATE FEES, CREATES A MORE EFFICIENT WORKFLOW, AND EARNS A NEW REVENUE SOURCE



Background

Associated Asset Management (AAM), founded in 1990, is a professional Community Association Management Company dedicated to delivering total peace of mind. AAM specializes in the forward planning and management of master-planned, single-family, condominium, active adult, urban highrise, and mid-rise communities. They also provide consulting services for accounting, marketing, and operational organization.

Matt Murphy joined AAM in 2006 as a staff accountant and now holds the position of Vice President of Financial Management. Currently, Matt oversees a staff of over 40, including directors, controllers, accounting department managers, staff accountants, and billing coordinators.

“Quite simply, partnering with experts helps us provide the type of services to our clients that they expect. We have been very happy with this partnership and will continue to work with Edenred Pay to raise the bar in our industry.”

-Matt Murphy
Vice President of Financial Management

Challenge

AAM had an extensive payments department that included 13 accounts payable coordinators. They were largely paper-based, processing vendor payments by paper check, and wanted to move to a digital system. The lack of an organized workflow and an efficient approval process, along with the cost of staffing and resources, encouraged AAM to look into automating their payments process.

Due to their paper-based payments, vendors often received their payments in two to three weeks on average. Getting the payments entered into their AP system, validated, and approved was a slow process. Despite the use of some technology, the process included several steps that were also prone to human error. This resulted in AAM paying anywhere from \$250 to \$500 a month in late fees to various vendors.

At first, AAM tried to automate their payments by building a system through a card program with their bank. But they quickly learned that creating their own solution required programming, finding their own banking partners, and enrolling vendors. While moderately successful the process proved to be too difficult without resources and the necessary expertise, particularly with vendor enrollment. Achieving vendor card program adoption rates that result in significant scale required a new approach.



Paper Payments



Late Payment Delivery



Manual Process

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Solution

"We had experienced some success with our previous vendor card payment program. But the Edenred Pay program has exceeded that by a very wide margin, and we're very happy with the volume and revenue opportunity it has created."

AAM had no problems integrating Edenred Pay with their Village Management Software. VMS was eager to work with the Edenred Pay integration to enhance their system and AAM can process payments directly from the ERP.

The integration team made sure that auto reconciliation and data syncs were working. Additional customizations were put in place so that transactions on bank statements could be more easily identified and duplicate payments could be detected and avoided.

In addition to the expert integration assistance, Edenred Pay's vendor enrollment team continuously reaches out to AAM's vendors to maintain and improve their conversion rate. As a result, the additional revenue earned through virtual card payments is substantial for AAM.

"Quite simply, partnering with experts helps us provide the type of services to our clients that they expect. We have been very happy with this partnership and will continue to work with Edenred Pay to raise the bar in our industry. We're very pleased with what's been accomplished so far."

Results

AAM's payment process is now vastly different. "With the help of Edenred Pay, we have greatly reduced the number of late and duplicate payments." The \$250 to \$500 a month late fees have been reduced to less than \$50 a year. Payments are approved and sent out in days instead of weeks, and vendors receive their payments quickly and securely. Vendors also have multiple payment options such as virtual card, ACH, and check. AAM's virtual card conversion rate is 20% - 30%.

Matt has been able to cut AAM's payables processing time in half due to the increased efficiency. That results in being able to reassign staff to more productive activities, which also saves money. "Converting to Edenred Pay has been a tremendous help to our organization. It has increased our efficiency and security and provided us with a trusted industry partner that brings expertise in payment solutions."

"It's something people in the accounts payable world may not have dreamt was even possible 15 years ago – that accounts payable could become a revenue source. You can offset a major portion of your costs by utilizing this program. In a high-volume environment, it adds up quickly. If anybody is considering it and you have the volume to support it, it can be a huge benefit to your organization."



Greater Efficiency



Money Saved



Increased Revenue

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