

Apex

SHARING THE BEST IN SPEND & PAYMENTS TRENDS AND INNOVATIONS

Business strategies to thrive during tough times

For most businesses, the current global recession means difficult times ahead. But, it can also serve as an opportunity to focus on getting more rigorous control of costs, concentrating on eliminating waste, tightening loopholes and creating a sound financial footing for the future.

According to Terry Wellesley, Managing Director, BMO Spend & Payment Solutions, "in difficult economic times, roles like procurement and sourcing can truly shine." Mr. Wellesley adds, "companies that leverage these functions to generate and manage strategies to eliminate waste, tighten loopholes and create a sound financial footing will emerge stronger and with more opportunities."

BMO Spend & Payment Solutions works with customers to help them eliminate inefficient processes and improve their business practices and controls.

We've identified three strategies to drive optimum levels of efficiency and the accountability organizations need to weather the current economic challenges:

1. Eliminate divisional silos between operational and financial supply chains. Inter-departmental collaboration streamlines

the entire process from sourcing to payment for everything from raw materials to IT consulting services. The benefits:

- reduced direct and indirect costs
- optimized working capital and cash flow
- improved visibility and control over spending and investment.

2. Make travel and entertainment management a leading standard for cost management excellence so travel spend aligns with corporate travel policy. By mandating the use of corporate card products, it's simple to capture rich data from each transaction and ensure increased transparency. The benefits:

- easily monitor policy compliance
- drive efficiencies
- identify savings opportunities.

3. Leverage technology to automate processes and improve control. eSourcing, spend analytics, electronic invoice presentment and



payment (EIPP) and contract lifecycle management deliver advantages well beyond cost cutting. The benefits:

- increased spend visibility that drives best practices
- improved process control ensuring compliance
- added flexibility to navigate through uncertain times.

BMO Spend & Payment Solutions delivers a uniquely integrated offering that breaks through the traditional boundaries between finance and supply. By integrating our existing banking solutions with a comprehensive spend management suite, BMO creates a superior, one-stop offering that keeps both the finance and supply side connected.

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Letter from the Managing Director

We understand the challenges that many businesses are facing during these unprecedented economic times. We know you must make significant decisions each day in order to achieve your business goals.

Focusing on your needs continues to be our top priority. That's why, more than ever, we are committed to providing you with the services and solutions you've come to expect from BMO Spend & Payment Solutions.

This February, we introduced a complimentary webinar series for clients to explore strategies for optimizing their spend management tools in the current economic conditions.

This innovative series is designed to inform listeners about leading-edge practices in the spend management arena, supply new product information and provide knowledgeable insight through real-world case studies.

I want to thank those who attended February's webinar and have completed our post-webinar survey. Your feedback provides us with a valuable assessment of your overall satisfaction with the quality of service we strive to provide. Understanding your needs, helps ensure that our solutions support your evolving requirements.

We look forward to continuing to grow our strong relationship with you throughout 2009. We strive to provide a suite of solutions and level of service that always meets and exceeds your expectations.

Terry Wellesley
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If you would like to receive an electronic version of APEX, please email us at bmo.sps@bmo.com

Webinar Series for 2009

If you missed February's webinar co-presented by Mickey North Rizza, AMR Research's lead procurement analyst, and our own Doug MacCallum, you can view the webinar at www.bmospendandpayment.com.

Here's some of the feedback we received from those who attended the webinar and responded to our survey:

- 87.5% of the respondents felt the session met its stated learning objectives
- 99% of the respondents felt that the subject matter was presented effectively
- 87.5% of the respondents felt that the speakers were knowledgeable

"We are looking to develop a vision for a fully electronic end-to-end procurement system for goods, services and construction. To that end, we look forward to discussing with BMO some of the options and solutions they may have available..." – Webinar Attendee

BMO clients speak at NAPCP Conference

Hundreds of Purchasing Card professionals from the U.S., Canada and abroad gathered in Nashville this April for the National Association of Purchasing Card Professionals' (NAPCP) 10th Annual Purchasing Card Conference.

The conference, considered a "must-attend" event in the P-Card industry, offered education and networking opportunities for P-Card professionals of all experience levels across the private, government and education sectors.

Among the highlights of the conference were two presentations by BMO Spend & Payment Solutions' clients — Dollar Thrifty Automotive Group Inc. and URS Corporation.

Dollar Thrifty Automotive Group, Inc. (DATG)

Paula Schafer, Section Manager, Purchase Card Administrator, presented how Dollar Thrifty Automotive Group, Inc., a leading global



As an Alliance sponsor, BMO Spend & Payment Solutions offered attendees a live Spend Solutions demonstration. BMO representatives were also on hand to greet and answer questions. From left to right: Duncan Campbell, Rita Cardenas, Ted Schneider, Wendy J. Hall, Peter Ziegler (BMO Spend & Payment Solutions).



Dinner with BMO Financial Group. On Monday, April 20th, at the Ristorante Volare, in the heart of the Gaylord Opryland Hotel, BMO Financial Group was honored to host a dinner during the 10th Annual NAPCP Purchasing Card Conference for our valued clients. Left to right: Paula Schafer (Dollar Thrifty Automotive Group, Inc.), Diane Roth (URS Corporation), Ted Schneider (BMO Spend & Payment Solutions)

auto rental company drove more than 110,000 invoices out of its accounts payable process using BMO's unique Ghost Card procurement program. In her presentation, Paula spoke about how DTAG has eliminated purchase orders, automated the reconciliation process and improved controls with national contract suppliers as well as commodities that directly support field operations.

URS Corporation

Diane Roth, Corporate P-Card Administrator for URS Corporation, a fully-integrated engineering, construction and technical services organization, provided a presentation on program management. Diane spoke about a unique challenge facing URS Corporation, where 93% of payments were for less than \$5,000 and represented 7% of its spend. She discussed how, through the efficient use of BMO's P-Card program, URS Corporation was put on track to eliminate 39% of its payments.

In addition to having two of our clients speak at the NAPCP conference, BMO Spend & Payment Solutions was a committed supporter through our Alliance sponsorship.

BMO took part in the Product & Technology demonstrations. During this session, BMO showcased to current and prospective clients its Electronic Invoice Presentation and Payment (EIPP) Solution Suite. At the BMO booth, BMO representatives were on hand to answer questions on how customers can derive greater value from BMO's spend management and payment solutions. BMO Financial Group also hosted an elegant dinner for its clients at the Ristorante Volare, located in the world-famous Gaylord Opryland Hotel.

Did You Know?

BMO Spend & Payment Solutions sponsors Aberdeen Research Report

BMO Spend & Payment Solutions has sponsored Aberdeen Research's "The CPO's Agenda 2009: Smart Strategies for Tough Times" report. This report will be released in May 2009.

The study identifies the goals and initiatives for top CPOs and presents a framework that allows for a competitive comparison with other enterprises. It also evaluates the new strategies being employed by Best-in-Class companies to face the challenges of these tough economic times.

To obtain a copy of this report, please email us at bmo.sps@bmo.com or contact your relationship manager.

Spend Management

Positioning your business to succeed when others just survive

During times of economic uncertainty, companies tend to look inward to squeeze maximum value out of their working capital; seeking opportunities to drive costs out, improve efficiencies and save cash. This is causing a paradigm shift where the convergence of supply chain management and physical transactions are becoming increasingly important as a means to drive bottom line results.

Industry expert Mickey North Rizza, AMR Research's lead procurement analyst, presented "Transcending Boundaries in Finance and Supply: Do You Have the Right Tools?" at BMO Spend & Payment Solutions' webinar held this past February. Mickey addressed financing and spend management, citing "the time is now" for spend management transformation.

For companies to be well positioned to outperform when the next boom cycle begins, they require ongoing collaboration between finance, supply chain and procurement.

At BMO, we are uniquely positioned to offer organizations an innovative approach to Spend Management, which includes two key features:

For more information on our Spend Management suite, or to hear Mickey's webinar presentation, visit our website at www.bmospendandpayment.com

Feature 1

The merger between the supply and finance chains

A unique concept to merge the supply and finance chains — groups and systems that historically do not communicate well with each other. This merger is the key that allows us to make the entire spend cycle as efficient and cost-effective as possible.

Benefits that arise from this combination include:

- Decreasing "maverick" spend, ensuring better cost control and policy compliance.
- Gaining economies of scale and pricing power through consolidation of strategic suppliers.
- Increasing process and procurement efficiencies; driving costs out of the operation.

In addition, the visibility a company achieves throughout all the touch points in these chains allows:

- Optimization of working capital strategies.
- Increased accountability and faster problem resolution.
- Integrated information exchange between both systems and individuals facilitating common goals and synergies.

Feature 2

A comprehensive suite of tools

BMO's Spend Management suite is divided into six functional solution areas:

- Spend Analytics
- eSourcing
- Contract Management
- eProcurement and Catalog
- eInvoice and Supplier Management
- Settlement

Each of these solutions addresses specific pain points that a company encounters through the spend cycle. They can be applied individually or in any combination and have flexibility to change with a company's needs.

This modular approach allows companies to maximize the value and investment in their existing ERPs. Layered with the modular financing and payment solutions of a full service bank like BMO, clients truly have an end-to-end suite of solutions for all aspects of their Spend Management cycle.

"Revenue is dropping. Pressure to cut costs is rising. Only the fittest will thrive"

– BMO Financial Group

Changes to Canadian Anti-Money Laundering regulations: How are you affected?

Beginning in June 2008, significant amendments were made to Canada's Anti-Money Laundering/Anti-Terrorist Financing (AML/ATF) laws. Among these changes, all financial institutions are now required to collect and hold more detailed client records.

Canadian Anti-Money Laundering regulations require BMO Financial Group, at a minimum, to collect the following information from our Mid-Market (CFD) and Large Corporate (IBG) clients, prior to issuing or opening an employee Corporate MasterCard:

1. cardholder name
2. business address
3. business telephone number
4. date of birth.

The information we collect is used for the following purposes:

- to verify and protect against fraud, and
- to comply with federal and provincial legal and regulatory requirements.

At BMO Financial Group, protecting the interests of our corporate clients is always a key consideration. We are committed to safeguarding all of the information we collect in our record keeping, client identification and reporting requirements. We are of course committed to ensuring our clients' privacy remains protected.



Did You Know?

WestJet data is now available on BMO *details* Online!

If you currently use your BMO Corporate MasterCard to purchase air travel with WestJet Airlines, you'll now be able to retrieve Level 3 data for these transactions on BMO *details* Online.

Effective immediately, WestJet will provide complete airline addendum data for all transactions made on BMO Corporate MasterCard. The addendum data contains details on items such as Origin, Destination, Fare Class, Ticket Number, Fare and Fees. This information is fed into the BMO *details* Online reporting tool for inclusion

in electronic statements and for various Travel & Entertainment reports and files.

How does this benefit BMO Corporate MasterCard clients?

The addition of WestJet data supplements existing addendum data that BMO currently receives from the other airlines. Complementing the detailed airline information, BMO is also able to provide detailed information on hotel charges. Our hotel folio program incorporates over 12,000 participating properties.

Robust travel and entertainment data, such as that provided through airline addendum and hotel folio file feeds, gives organizations increased transparency into employee travel expenditures and can be utilized by travel managers and procurement professionals to identify opportunities for savings, gain leverage in vendor negotiations and drive new policy.

Further information can be obtained from your relationship manager or email us at bmo.sps@bmo.com



A CASE STUDY: UPM

Company Description: UPM is one of the world's leading forest industry groups, with production facilities in 14 countries and some 25,000 employees worldwide. UPM consists of three Business Groups: Energy and Pulp, Paper and Engineered Materials. In 2008, UPM reported sales of € 9.5 billion. Many of North America's best-known magazines and retail catalogs are printed on UPM paper and many of the continent's leading printers and paper brokers depend on the company to supply their paper.

Challenge: UPM wanted to move away from manually processing the 400 expense claims per month for its North American operations, but did not want to invest in a high price solution.

Solution: In June 2008, UPM North America became one of BMO's first clients to be set up on eClaim. eClaim is a module within the BMO *details* Online suite; BMO's proprietary web-based program management and reporting tool. As a result of being set up on eClaim, UPM was able to move away from manual to electronic processing of 400 monthly employee expense reports for both cardholders and non-cardholders in North America. The introduction of eClaim has meant the workload of five full-time equivalents has been eliminated at no cost to the organization. Also, UPM did not have to invest in a high price solution as eClaim easily integrated with UPM's existing ERP system.

How the program works: Employees who are seeking reimbursement for out-of-pocket expenses while travelling or entertaining will log into BMO *details* Online, where they

enter expenses based on type of expense. They then submit their expenses for approval and notify their manager that their expenses are waiting to be approved. Once approved, the employee is automatically reimbursed on the next payday.

Benefits realized: Since instituting the BMO solution, UPM reports the following benefits:

- elimination of a manual process
- improved efficiency and workflow
- tighter control
- improved reporting with fewer errors, and
- a solution that has been inexpensive to implement.

In addition, the feedback received from UPM employees indicates that users of eClaim are very pleased with the ease of use of this product.

Next steps: UPM is seeking opportunities to expand the eClaim program beyond North America to encompass its international companies.

"The implementation of BMO's eClaim solution into UPMNA's travel expense process has been a huge success. It has essentially eliminated the cost of finance to process these claims and done so with minimal implementation and start-up costs. Our user base instantly considered the solution a win, everything is online and reimbursement occurs on average 9 days faster than the previous manual process."

Becky Norris, Director, Financial Service NA

Upcoming Events

May 27-29, 2009 | Montreal, QC
FEI Canada Conference – Financial Executives International
www.feicanada.org

May 31 – June 2, 2009 | Regina, SK
FMI PSMW – Financial Management Institute of Canada Public Sector Management Workshop
www.fmi.ca

June 1-3, 2009 | Whistler, BC
38th Annual CAMA Conference – Canadian Association of Municipal Administrators
www.camacam.ca

