

Calculate your P-Card Opportunity in 6 Easy Steps

1. Determine a dollar threshold

The dollar threshold for P-Card eligible transactions will determine the volume of transactions that qualify for a P-Card program. This figure will vary according to industry and organizational characteristics.

Analyzing invoice volume at various thresholds, XYZ Corp attempts to maximize the number of invoices that qualify while maintaining a comfort level with the transactions. They settle on: **\$500**

2. Determine eligible accounts

Not all expenses are right for P-Cards. Choose what makes sense for your organization.

- Travel
- Office Supplies
- Software
- Postage
- Accreditation
- Dues & Subscriptions
- Memberships
- Company Meetings
- Educational Materials
- Professional Certification
- Maintenance Service

3. Query Lawson data

```
FROM APDISTRIB
SELECT:
    COMPANY, VENDOR, INVOICE, SUFFIX,
    DIS_ACCOUNT, ORIG_TRAN_AMT
WHERE:
    (DIS_ACCOUNT=eligible) AND
    (ORIG_TRAN_AMT<=threshold) AND
    (REC_STATUS=9) AND
    (CANCEL_SEQ=0)
GROUP BY:
    threshold
```

Thresholds	Inv Count	%	Inv \$\$	%
Under \$25	5,915	9%	74,882	0.0%
Under \$50	11,264	18%	275,954	0.2%
Under \$75	15,401	25%	533,129	0.3%
Under \$100	18,821	30%	833,342	0.5%
Under \$150	24,106	38%	1,490,641	0.9%
Under \$200	28,236	45%	2,211,518	1.3%
Under \$250	31,266	50%	2,892,097	1.7%
Under \$300	33,677	54%	3,554,235	2.1%
Under \$400	37,294	59%	4,813,407	2.8%
Under \$500	39,990	64%	6,026,614	3.5%
Under \$600	42,001	67%	7,133,620	4.2%
Under \$700	43,619	69%	8,185,352	4.8%
Under \$800	45,044	72%	9,258,043	5.4%
Under \$900	46,187	74%	10,231,316	6.0%
Under \$1,000	47,185	75%	11,182,804	6.5%

4. Calculate rebate

While rebates may vary by provider and region, banks typically offer 1% of total dollar volume.

Inv \$\$ * % = Projected Rebate Value

$$\$6,026,614 * 1\% = \mathbf{\$60,266}$$

5. Calculate labor savings

The hourly cost of AP reps can be estimated by multiplying average salary * 1.2 to account for benefits and payroll tax and dividing by 2000 (working hours in a year).

$$36,000 * 1.2 / 2000 = \$21.60$$

Estimate the amount of invoices entered per hour

In XYZ Corp, a good non-PO invoice processor can average 160 invoices a day or 20 invoices an hour.

Avg. Hourly Cost / Avg. Invoices Per Hour * Invoice Count = Annual Labor Savings

$$\$21.60 / 20 * 39,990 = \mathbf{\$43,092}$$

6. Calculate total savings

Rebate + Labor Savings = Total Savings

$$60,266 + 43,092 = \mathbf{\$103,358}$$