



PARX CASINO® LEVERAGES VIRTUAL CARD PAYMENTS TO EFFICIENTLY MANAGE A HIGHLY REGULATED INDUSTRY



At a Glance

Overview

Parx Casino, encountering challenges with traditional supplier payment methods, sought a payment solution to enable timely payments and reduce administrative efforts and costs.

Challenge

Parx Casino was determined to modernize supplier payments amid growth and while facing challenges including stringent supplier regulations, physical card usage restrictions, and complex government reporting requirements.

Solution

Citizens' virtual payment solution, supported Parx Casino by enabling faster payments and improving supplier relations.

with properly licensed suppliers and capping amounts on individual cards.

The traditional payment disbursement timelines were causing extended processing and approval issues associated with physical checks, straining supplier relations. Parx Casino was looking for a payments solution to enable more efficient and timely supplier payments while reducing internal costs and automating portions of the process.

Matt Hayes, Corporate Controller, Parx Casino, noted,
*"In addition to efficiencies we aimed to achieve, our goal was to transform our accounts payable department cost center into a **PROFIT CENTER.**"*

Introduction

Parx Casino®, based in Pennsylvania, offers state-of-the-art gaming, thoroughbred racing, live entertainment, promotions, and other events. Its partnership with Citizens has a rich history of development and innovation. With its long-standing oneCard – Citizens' business payment and expense management solution – in place since 2013, Parx Casino implemented its virtual card program in 2015 as an expansion to its treasury payment solutions.

The need for a virtual payments solution

Operating within the confines of a heavily regulated industry, Parx Casino is required to follow strict supplier engagement guidelines such as conducting business

Why was a virtual card solution chosen?

Citizens' virtual card solution is a comprehensive virtual payment offering well suited to help solve Parx Casino's challenges. The program was able to address Parx Casino's concerns around resources and effort, facilitating a smooth transition of its supplier's payments to virtual cards. The training process to on-board accepting suppliers was straightforward enabling a quick transition for Parx Casino to become self-sufficient including training its own staff. When it came time for each supplier to process its first payment, the Citizens team provided support to answer questions, address exceptions and ensure the payment was processed. This proactive supplier payment support helps reduce overall supplier attrition and leads to improved spend volume growth.



EXHIBIT 1: Citizens Virtual Payment Program

Citizens Virtual Payment Solution



Key Benefits

- Increased Days Payable Outstanding (DPO)
- Multiple virtual payment processing options such as Supplier Initiated Payments, Straight Through Processing, and Proxy Payments
- Supplier outreach and support
- Cost savings via reduced check volumes
- Streamlined reconciliation with exact pay and single use accounts
- Spend-based rebates for clients

Matt Hayes also noted, “While I joke about less paper cuts, the program provides the support we need to significantly reduce manual paper check payments and transition to a more efficient and secure payment process. With the limited resources we have and the exponential growth we experienced, we cannot imagine having the smooth and streamlined supplier relationship that we do without the Citizens program.”

Program benefits & success factors

Once the virtual card solution was successfully tested, Parx Casino went live with a pilot file of suppliers ready to be paid via virtual cards. In parallel, the full target supplier file was analyzed followed by pre-campaign and campaign reach-out. Since the first campaign, Parx Casino and Citizens re-connect every 12-18 months to campaign to a new target list of suppliers to continually expand and optimize the program.

Citizens’ virtual card solution facilitated supplier adoption, integrated with existing processes and ERP systems, and kept the established AP process intact.

EXHIBIT 2: Program Performance

Five-year program performance (2018-2022)



~60% increase in **spend on virtual cards**



~160% increase in **number of suppliers enrolled**



~40% of related overall **financial benefits stemmed from extending working capital¹**



~20% of related overall **financial benefits were from reduced check volumes¹**

Note: Percentages (%) are based on actual dollar savings.

¹Based on benefit estimation data from the 2022 RPMG Research Virtual Card Benchmark Survey, virtual cards offer reduced check reliance, improved transactions and spending control, fraud reduction, environmental impact cuts, and contactless transaction facilitation.

Impact & future

Parx Casino continues to prioritize offering virtual cards as the preferred payment option to any new suppliers joining its network, ensuring a seamless and convenient payment process right from the start. Its ongoing campaign plans include improving assessment and prioritization approaches for selecting suitable virtual card suppliers.

For more information about all our offerings and services, please visit citizensbank.com/commercial.