

How a fast-growing pharmaceutical manufacturer ditched the paper chase to gain speed and savings

CASE STUDY



FIFTH THIRD BANK

About Nephron

Nephron is a leading pharmaceutical manufacturer with a broad portfolio focused on respiratory medications. Based in West Columbia, SC, Nephron has been producing high-quality respiratory generics since 1997. They are committed to delivering superior manufacturing and outsourcing services with a drive to improve patient outcomes. They also give back to young innovators and the community. The company is fast-growing and is positioned to become a leader in its field in the coming years.

The Challenge: Automating payments to suppliers

Moving away from paper checks through commercial card growth was a top priority for Nephron when they began discussions with Fifth Third. At that time, the organization had a largely paper-based process and no existing virtual card program. Nephron's only card payments were hampered by credit limit, acceptance, and high card fee issues.

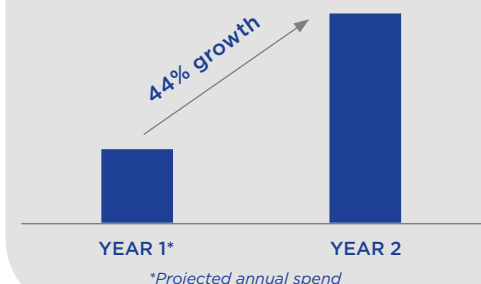
“Fifth Third has been a great partner for us in every sense of the word. **The additional revenue from this program has been pivotal to our pandemic response.** These incremental funds enabled us to launch a CLIA-certified facility to provide COVID-19 testing for our community and offer other on-site services, including free barbers and childcare for our employees when schools closed. We now even create the ‘Big Check’ every year to celebrate and promote it!”

— Lou Kennedy, CEO

The Solution: Fifth Third's Commercial Cards and ePay

The Fifth Third team determined that a pairing of traditional commercial cards and ePay was the best solutions to help improve Nephron's AP efficiency and acceptance. The ePay solution electronically generates virtual card numbers to provide efficient, secure payments. Fifth Third's offering stood out because it addressed the former program's higher fees and credit limit issues, both of which led to expanded supplier acceptance.

Nephron's ePay Program Growth



The team at Fifth Third partnered with Nephron to quickly roll out the new program. CFO Daniel Stoner noted that *“the program started to show its value from the very start,”* with Fifth Third leveraging its ERP payment adapter with a simple interface to rapidly connect with Nephron’s existing ERP system. This was critical during the implementation because very few Nephron resources were available to integrate with existing systems.

Another key factor in the Implementation success was Fifth Third’s collaborative approach to supplier enablement. Fifth Third took on the heavy lift to identify and onboard the targeted strategic suppliers. Nephron was then able to leverage its relationship with smaller suppliers to help bring them on board. A major win was enrolling several logistics suppliers, which allowed Nephron to gain significant operational efficiencies through the reduction of thousands of invoices from these providers. Nephron was also impressed with the types of suppliers Fifth Third was able to identify. This was a result of Fifth Third’s in-depth supplier acceptance analytics as well as a willingness to explore every supplier opportunity no matter how unlikely.

ePay Automation



With Fifth Third ePay, companies can:

- Improve cash flow and streamline end-to-end payment processes, saving up to 2.5X more per transaction vs. paper checks, plus help optimize the payment mix
- Leverage advanced technology that boosts defenses against fraud
- Integrate electronic payments into your existing front-end processes for issuing purchase orders, obtaining approvals, and receiving invoices
- Avoid per-transaction fees associated with checks, ACH, or wire transfer payments
- Eliminate checks, multiple credit card statements, and late or missing expense reports

The Results: Supplier Optimization & Rebate Enhancement

According to CEO Lou Kennedy, Nephron’s partnership with Fifth Third was a major success from the start. Nephron’s overall ePay program is expected to grow by **44%** from its first year to the present through strong supplier enrollment and the company’s continued growth. The overall program is on track to exceed its initial spend estimates by more than **40%** in the current year and perhaps even more impressive, the total revenue sharing for Nephron has grown by **46%**.

Fifth Third’s supplier enablement campaigns have been a big contributor to the program’s success. In the initial year of the program, Fifth Third completed several successful supplier enablement campaigns, including enrollment of two major lab equipment suppliers that contributed to **87%** of the growth in ePay program volumes. *“We focused on suppliers most likely to accept card but also those Fifth Third had learned from experience, were worth a shot and that paid off in a big way,”* noted VP of Finance William Yttre. With the significant efficiency gains and revenue share, Nephron has integrated commercial card into standard

supplier contracts as the preferred payment method to further increase supplier program enrollment.

Thanks to the revenue share from its Fifth Third commercial card program, Nephron has been able to fund additional employee and community engagement initiatives. Kennedy notes, “Fifth Third went above and beyond to make our transition smooth, and *we have been able to realize real revenue sharing dollars that help us grow our business and serve our community. Fifth Third spared no effort integrating our internal systems and worked to move key suppliers away from checks, some we never thought would accept card!*”

As Nephron continues to expand into new services and lines of business, Fifth Third’s remains committed to supporting this valuable partner through continued automation of their cutting-edge AP program.

Contact your Relationship Manager or Treasury Management Officer today to learn more about [Fifth Third’s ePay](#).



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