

Ernest Rolfson

Finexio CEO Ernest Rolfson explains how AI-powered solutions are transforming supplier ecosystems, reducing payment risks and driving higher digital payment adoption rates

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Ernest Rolfson,
CEO,
Finexio

Effective supplier management is seeing the B2B payment ecosystems transformed, with companies using innovative AI-powered solutions to mitigate payment risks, streamline supplier interactions and drive significantly higher digital payment adoption rates.

Speaking to Procurement Magazine, Ernest Rolfson, CEO & Founder of Finexio, explains how its multi-channel, data-driven approach to supplier communication, combined with predictive analytics, is helping businesses reduce operational risks while strengthening supplier relationships across various industries.

Q. WHY IS SUPPLIER MANAGEMENT ESSENTIAL TO OPTIMISING B2B PAYMENTS, AND HOW DOES FINEXIO'S AP PAYMENTS AS A SERVICE MODEL SOLVE THE KEY CHALLENGES?

» With supplier management, if you're not leveraging a software-as-a-service solution, it's going to be manual. We've introduced something that replaces slow, resource-heavy payments processes with an AI-powered, automated and self-service process, backed by expert support for the most complex and large supplier relationships.

As you're working with suppliers over the course of the year, having flexible, secure payment options that can adapt to suppliers' evolving needs is critical. It can't be all or nothing. When suppliers need to make a change, there must be some validation and review

– maybe there's an upsell, maybe there's a downsell – but introducing payments software-as-a-service, which we call AP Payments as a Service, not only provides that enhancement, but also reduces risk by continuously validating supplier data and monitoring any changes for fraud.

The additional benefit is that you're improving your cash flow. Your costs are going to be less, there's less hiring you will have to do if you're expanding, and while you are reducing your costs you are generating cashback from the payment methods as well. Active supplier management, at least by our standards, will make those improvements for you.

The bulk of what we're observing across many large sectors in the United States is that supplier management and enablement is still done by email and by phone for every vendor. The smaller suppliers don't get sufficient or any attention because that approach simply doesn't scale. That lack of scalability is exactly what we're solving – giving businesses the ability to engage and optimise supplier payments at scale.

Q. HOW ARE YOU HELPING TO STREAMLINE SUPPLIER BASES TO IMPROVE PAYMENT EFFICIENCY AND REDUCE OPERATIONAL RISKS?

» Streamlining the supplier base is something that we enable because we can help clients with our software and our very dynamic portals. We provide real-time insights and datasets that easily identify redundant and inactive suppliers, which reduces complexity and administrative burden.

ERNEST ROLFSON

TITLE: CEO & FOUNDER

COMPANY: FINEXIO

**INDUSTRY: EMBEDDED
SOFTWARE PRODUCTS**

A recognised thought leader in the payments vertical of financial technology, Ernest has launched or incubated several financial technology businesses including prepaid, commercial payments, merchant services, P2P lending & crowd funding.

We continuously cleanse, enrich and validate supplier data with our partners to help ensure that payment details are accurate, which reduces errors. Over time, this data intelligence highlights payment trends and areas for optimisation. What we're seeing on average is about 10% of supplier bases changing over the course of a year. We can have the dialogue, and our partners can have the dialogue, saying, 'You shared that these were your top thousand suppliers from 2024. We're seeing very different trends in 2025 – what's going on?'

This is a unique approach that helps you mitigate and predict fraud risk and better optimise payment methods. For example, if you're doing a major construction project this year with a hundred new suppliers, let's plan for that and set them up on the most cost-effective, secure payment channels instead of retroactively correcting inefficiencies in how they are getting paid.

By having all this data upfront and looking at it together on an ongoing, proactive basis, you can instantly see the trends from month to month, which then lets you take action. That's pretty rare from my understanding. That level of real-time visibility is what sets us apart.

Q. THAT MULTI-CHANNEL APPROACH TO SUPPLIER COMMUNICATION, HOW IS THAT MORE EFFECTIVE THAN TRADITIONAL METHODS?

» It is effective because you need to get the right message to the right person.

Just like us as consumers, we're going to respond to the best-targeted advertising. Certain high-touch suppliers require personalised communication and senior-level outreach. They might need to be communicated multiple times, perhaps through physical mailers, emails, websites and updated email signatures.

We help manage and/or coordinate that. We help consult on how to take the most advantage of software you're using and the processes you're trying to support. Having AI helps us with targeting. We're now 93% accurate in our predictive capability around how suppliers would like to be paid and set up, which enables us to prescribe a very effective and targeted approach to supplier management. It's digital-first, but when you add phone and other methods it generates

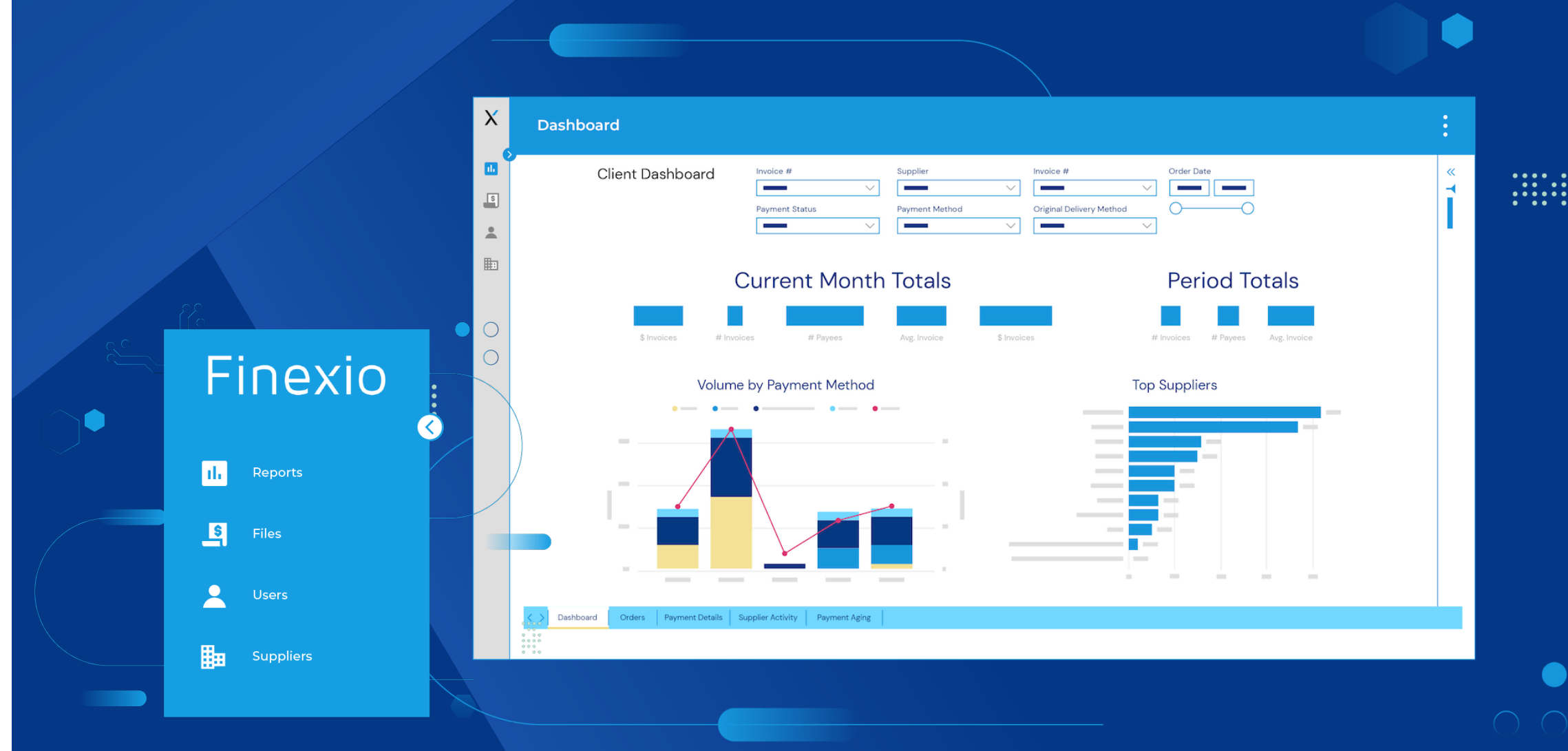
dramatically higher and more cost-effective conversion rates that move suppliers off paper checks onto secure, digital payment methods.

Giving suppliers the tools to contact support and the team, where the team instantly knows who they're calling about and what it's related to, is powerful. Having digital information to reference on the call, on recorded, transcribed lines is very effective for convincing and educating folks on why they need to change, how they need to transition to modern payment methods and what's in it for them. All of this education is personalised and intentional versus a robotic: "Enter your info here, good luck. Give me your bank account info." You really don't want to do that. You want to have something that improves the experience and that's what we're providing.

Q. HOW DOES THAT AI-POWERED SUPPLIER MANAGEMENT SYSTEM ACCURATELY PREDICT SUPPLIER CONVERSION TO DIGITAL PAYMENTS?

» I don't know if I could tell you exactly how – these models are a bit of a mystery. Some of the most important pieces involve looking at a comprehensive history of payment transactional flows, size, frequency, recency and volume trends and examining industry verticals, payment terms and a number of behavioural data points and supplier metadata to help us drive the forecasting.

Another important factor is whether someone like us or our partners has paid them before, and how they have been paid. What that looks like helps us drive efficiency. All of this allows us to best target, identify and prioritise the most high-potential suppliers.



As our outreach efforts drive greater and greater conversion to digital payments, that data is fed back into our model so that it's continuously refined and machine learning continues to enhance conversion accuracy. We benchmark every single client, every single campaign and new suppliers added midyear. We analyse and leverage that data to ensure we're performing against what the model predicts. That in turn helps us continuously improve our supplier conversion model.

We share our performance with our partners. If adoption rates are lagging versus predictions, we analyse the data together to diagnose the root cause. If there's anything that's off, we need to discuss together why it's off. If a university has new suppliers coming in, we can determine where and how we can improve adoption. Is it the company? Is it us? Is it the supplier base? Is it process-related? Those conversations are how we refine strategies for better outcomes, ensuring continual improvement and ongoing success. That's a big part of our culture.

Q. COMPANIES ARE TALKING ABOUT MOVING PEOPLE ONTO VIRTUAL CARDS. I UNDERSTAND THAT YOUR WORK IS BEATING THE INDUSTRY STANDARD BY ABOUT TWO OR THREE TIMES. HOW ARE YOU DRIVING VIRTUAL CARD ADOPTION ACROSS SUPPLIERS?

» We're very proud of this. Finexio absolutely leads the payments industry in card adoption, which is one key reason



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VISA

“We’re now 93% accurate in our predictive capability around how suppliers would like to be paid and set up”

ERNEST ROLFSON,
CEO & FOUNDER,
FINEXIO

that led J.P. Morgan Chase – the best and biggest bank in the United States – to be our major partner and our largest investor.

I think that's because we have an unparalleled ability in prediction, which we've just been talking about. We're very focused and committed to this area. Why? Because virtual cards are the most secure, reliable and predictable payment method. They have the least amount of friction in enrollment. For businesses, they offer the lowest cost of ownership, reducing AP overhead and minimising fraud risks. And it generates revenue because the suppliers are opting for all the conveniences that our AP Payments as a Service provides and the added security, efficiency and faster payments that virtual cards provide, which methods like ACH and cheques do not offer.

By having very strong commitment, a very superior product, by educating suppliers and buyers on these benefits

and by having an onboarding process powered by technology that enables rapid onboarding at scale, we drive exceptional results. We're able to manage different offers and different approaches based on different types of suppliers, with the goal of optimising payment acceptance and accelerating adoption.

Some suppliers we don't even need to talk to. This is particularly true in the long tail, where automation drives cost savings. And the long tail is where your cost is – it's where your greatest count of transactions lives. We get your long tail suppliers onto card very quickly while we conduct more thoughtful negotiations with your larger, more strategic suppliers or major national vendors like FedEx or Verizon. These major national players require a structured onboarding approach backed by robust data analysis to ensure we have an initial alignment. We don't just predict where virtual card adoption is heading – we actively execute strategies that make it happen. We handle this for all our partners as well, and that can be very differentiated.

Q. WHAT AI-POWERED INNOVATIONS ARE YOU PLANNING TO ENHANCE SUPPLIER MANAGEMENT IN THE NEXT 12 MONTHS?

» Well, it's working pretty great today, I have to say. But we see room for even greater impact by expanding our predictive analytics to further optimise supplier conversion forecasting and fraud risk assessment. One area we are seeing major success is with our payment risk scoring model – it analyses the volume and value of any organisation's current



payment mix to show where risks are highest. It's an elegant tool, and with this knowledge, businesses can make smarter decisions on how to optimise, monetise and secure their payments. It also allows our partners to see at a glance the cumulative risk score and individual risk profile of their entire customer base.

We have multiple models for risk assessment. I think there's future potential for bringing risk and cost optimisation models together in a single AI-powered framework – one that not only predicts fraud but also maximises cost savings. This could also help businesses identify potential supplier disruptions before they occur, ensuring more resilient payment strategies.

We already integrate best-in-class AI in the security and anti-fraud area for payments and transaction monitoring.

That AI-powered anomaly detection could be expanded to flag suppliers with emerging risks, enabling proactive intervention before payment issues arise. Companies could use this intelligence to preemptively adjust payment strategies, reducing operational risk and improving supplier relationships.

Ultimately, the accounts payable area, the procurement area, the finance area – it's all converging into a single, unified workflow. At the end of the day, everything we are doing – supplier engagement, risk management, fraud detection and payment execution – should be integrated into a seamless money movement event, and we think that should be consolidated in one place. Right now, these functions are disconnected, but Finexio is solving for that with embedded AP Payments as a Service. We've embedded our



WATCH NOW
Finexio AI + Supplier
enablement demo

Finexio takes on
100%
of the communication to
suppliers with a defined
onboarding process

capabilities into platforms like JAGGAER and BirchStreet Systems that are real kings in the accounts payable procure-to-pay sector. Their payments are powered by Finexio. When clients opt into their payment module, they immediately benefit from a smarter, more connected payments experience which gives them a huge advantage. ●