



The Green Sheet

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P-card proliferation

Aaron Bills, co-founder and Chief Operating Officer for XDelta Systems, has found strong new opportunities for purchase cards (p-cards) in the B2B space.

Bills noted that the p-card, now in its third decade of existence, has become one of the biggest revenue generators for his company in the current recession.

In July 2008, the **Congressional Research Service** to the U.S. Congress reported that government purchases, travel and fleet cardholders grew from \$227 million in 1993 to \$18.7 billion in 2007.

In the same period, the number of cardholders tripled to 300,000. Additionally, p-card transactions went from 1.5 million to almost 24.7 million.

"The B2B space is stronger now than I've seen it in quite some time," Bills said.

"And it's been more relevant lately for the ISO as a value-added product. Our card volume in the B2B p-card space is one of the few areas we've actually seen consistently increasing sales volume. This segment is doubling yearly, and there are all kinds of potential in a market that is still relatively - as remarkably - underserved. By no means is this market saturated, not by a long shot.

"And the beauty of p-cards is that it really allows the merchant to control their spending. For B2B accounts, p-card users have spending limits. Additionally, that purchasing agent is restricted on where the card can be used, it passes all the live item deal loads to the merchant, and the merchants are getting a lower interchange rate from Visa and MasterCard for those transactions. For us, p-cards remain the premier growth opportunity."