Making B2B Payments Work Smarter in 2026

How Global Businesses Are Modernizing Payment Operations with Automation, Orchestration, and Virtual Cards

Industry insights from
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UATP

How Businesses Are Redefining How They Pay and Get Paid

As transaction volumes grow and markets become more interconnected, global businesses are feeling the pressure to modernize their payment operations, including how they transact with their vendors, suppliers, and partners. The inefficiencies that once seemed endemic to business-to-business (B2B) payments, like lengthy settlement times, high processing costs, and manual reconciliation, are in fact the remnants of legacy systems and thinking and no longer have to define the B2B payment space.

That's not to say that there are no challenges; companies managing international supply chains encounter complexity through foreign exchange volatility, varying regulatory requirements, and diverse payment preferences across regions. But the gap between consumer payment experiences and B2B transaction capabilities remains far too wide, creating expectations that traditional payment infrastructure cannot meet.

This guide examines the current state of B2B payments, identifies persistent challenges limiting operational efficiency, and explores emerging solutions reshaping how businesses exchange value. Virtual cards and payment orchestration offer particular promise for organizations ready to move beyond legacy systems. Understanding these developments and their practical applications will help finance leaders make informed decisions about payment strategy in an environment where operational excellence determines market success.

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> \- Ralph A. Kaiser, CEO of UATP

How B2B Payments Work:

1. Buyer company places an order for a product or service
2. Seller company sends an invoice for payment
3. Buyer company provides payment method and information
4. Seller company processes the invoice payment or sets up recurring payments

What are B2B Payments?

Let's start by revisiting the basics. At their core, B2B payments are financial transactions between companies conducting commercial operations. Unlike business-to-consumer (B2C) payments, which are usually instant and straightforward, B2B transactions often involve larger sums, extended payment terms, and a more complex settlement process. These payments can be recurring, scheduled, or contract-based, and they typically include invoices, approvals, and reconciliation steps.

The complexity of B2B payments extends beyond transaction size. Multiple stakeholders participate in each transaction, from procurement teams initiating purchases to accounting departments managing reconciliation. Payment terms commonly extend to 30, 60, or 90 days, creating cash flow considerations absent from consumer transactions. Companies must maintain detailed audit trails, comply with regulatory requirements, and integrate payment data with enterprise resource planning systems.

B2B payment methods vary and include ACH transfers, wire transfers, checks, credit cards, virtual cards, and digital wallets. Each method has distinct cost structures and processing times. ACH transfers provide cost-effective processing for domestic payments but lack immediacy. Wire transfers offer speed for high-value transactions at premium prices. Paper checks are still common in certain industries, though their usage is declining. Credit cards and virtual cards are gaining traction, particularly for travel and procurement expenses.

B2B payment market size estimates vary, but global volume is substantial, around $1.6 trillion. McKinsey reports the market reached $1.3 trillion in 2023, representing 52% of the total $2.5 trillion payments ecosystem. Other sources project it to reach $1.63 trillion in 2025. These figures underscore the massive scale and economic importance of B2B payment systems globally.

Clearly, B2B payments are a central aspect of all commercial activity and a massive global market in their own right. How can your business optimize this aspect of your operations? Let's go through the steps.

1. Understand Common B2B Payment Challenges

Compared to consumer transactions, B2B payments present their own set of challenges. These obstacles typically stem from technical limitations, regulatory requirements, and organizational structures that complicate payment processing.

Compliance with regulations and internal controls consumes considerable resources. Organizations navigate varying requirements across jurisdictions while maintaining governance standards. Know Your Customer (KYC) and Anti-Money Laundering (AML) regulations mandate extensive verification procedures. Multiple approval layers, designed to prevent unauthorized spending, create bottlenecks when stakeholders must review transactions sequentially. Each additional compliance requirement extends processing times and increases administrative costs.

Fraud remains a persistent threat to B2B payments. According to the 2025 AFP Payments Fraud and Control Survey Report, underwritten by Truist®, 63% of organizations reported facing check fraud in 2024. In comparison, 38% of organizations were victims of ACH debit fraud, and 20% were victims of ACH credit fraud. These statistics reveal vulnerabilities in traditional payment methods. The high values typical of B2B transactions make them attractive targets, while extended payment terms can delay fraud detection.

In addition to fraud, cross-border transaction complexity can create challenges for international operations. Local currency requirements force businesses to manage exchange risk across multiple markets. Payment methods popular in one region may be unavailable elsewhere, requiring support for diverse options. Managing relationships with multiple acquirers across regions creates operational overhead and increases error potential in payment routing decisions.

Manual reconciliation and reporting processes drain productivity. Many organizations still match payments with invoices using spreadsheets and manual data entry. The absence of standardized data formats across payment methods prevents effective automation. Finance teams spend excessive time investigating discrepancies and generating management reports. These manual processes delay financial closings and limit real-time cash visibility.

Cost optimization remains difficult without comprehensive payment visibility. Processing fees vary widely by method, amount, and destination, and hidden charges can erode margins unexpectedly. The fragmented nature of payment systems often obscures the total cost; without centralized systems and data, companies cannot identify savings opportunities or negotiate better rates effectively.

Organizational silos prevent coordinated payment strategies. Procurement departments often select vendors without considering payment implications, for example, and finance departments manage cash without full visibility into upcoming obligations. This lack of integration leads to suboptimal choices and missed improvement opportunities.

Finally, transaction and settlement speed is a persistent challenge. While consumers enjoy instant payments, B2B transactions often require days to settle. This delay impacts cash forecasting and strains supplier relationships. Companies with thin margins struggle meeting obligations while awaiting customer payments. The gap between initiation and settlement complicates financial planning.

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2. Familiarize Yourself with Emerging Solutions

None of these challenges are insurmountable; in fact, the B2B payments landscape is experiencing rapid change as technology providers and financial institutions address longstanding inefficiencies. New solutions promise to reduce costs, accelerate processing, and simplify operations for businesses of all sizes. Modern businesses expect B2B payment experiences that match consumer simplicity. The convenience of Amazon purchases or Uber rides has reset expectations for speed and transparency, driving adoption of digital cards and alternative payment methods in B2B contexts.

Market projections indicate the next three years will see up to $37 trillion in B2B payments move from legacy rails to instant payments. This migration represents a shift in value exchange between businesses, as instant payment systems provide immediate fund availability and eliminate traditional float periods.

This acceleration benefits suppliers through faster working capital access and enables buyers to negotiate better terms.

Virtual cards are among the best solutions emerging for B2B payments. These digital instruments offer unique advantages for buyers and suppliers alike. Buyers generate unique card numbers per transaction, improving security and reconciliation. Suppliers receive guaranteed payments with rich data that automates accounting. The ability to set limits, expiration dates, and merchant restrictions provides unprecedented spending control.

3. Consider Payment Orchestration as a Foundation

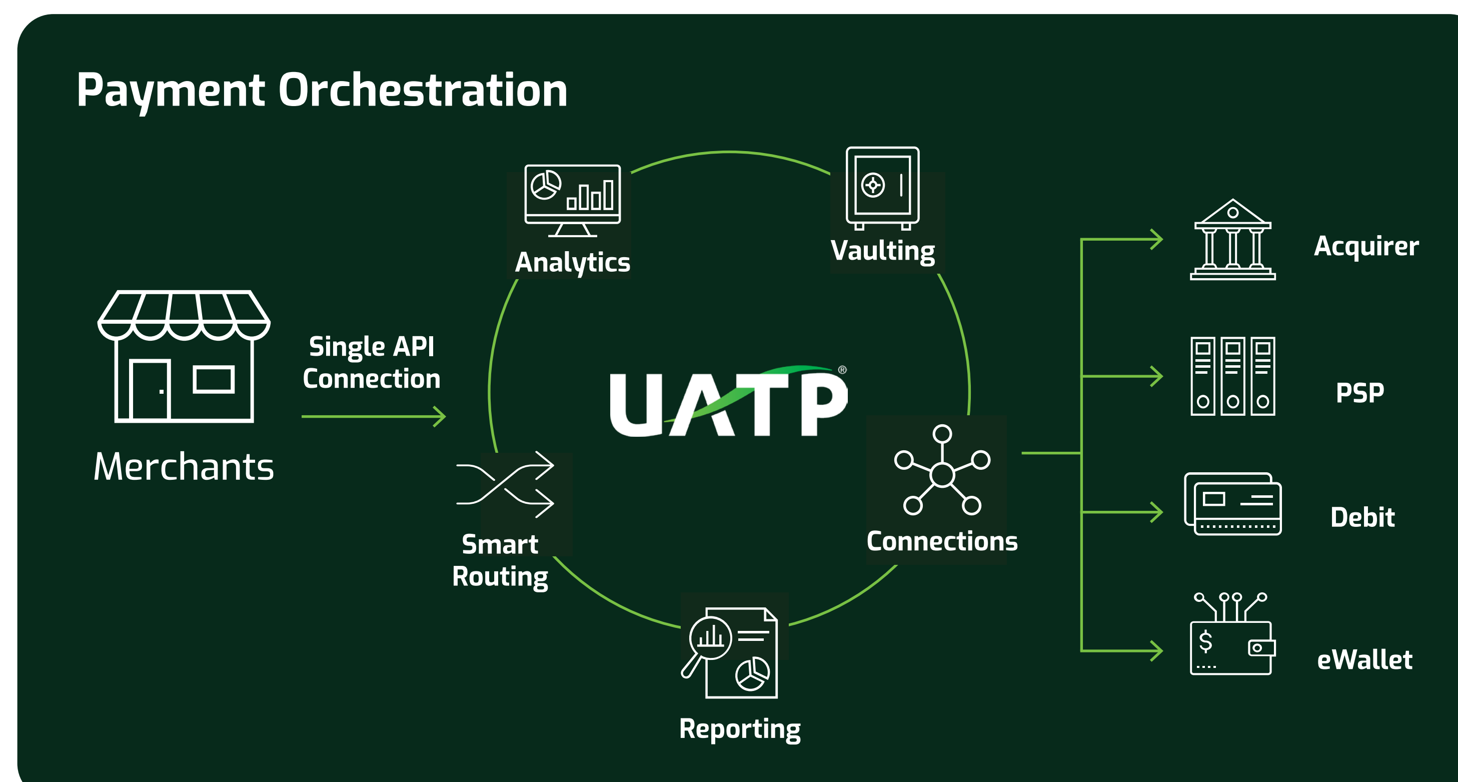
While individual solutions can address individual challenges, broader systemic improvements ensure scalability and long-term success. Payment orchestration, for example, acts as a central core for all payments (including B2B transactions) and enables organizations to optimize costs through intelligent routing. By connecting multiple processors through single integrations, orchestration platforms provide flexibility and redundancy. More visibility across the entire business emerges as payment data flows through centralized systems. Organizations implement sophisticated routing based on transaction characteristics and cost considerations.

The orchestration approach reduces technical complexity significantly. Rather than maintaining separate processor integrations, businesses connect once to orchestration platforms. This strategy minimizes technical debt and facilitates routing adjustments when processor performance degrades or fees increase. Real-time cost comparisons ensure transactions follow economical paths.

Payment orchestration also addresses cross-border payment complexities. Modern platforms provide access to local payment methods through unified integrations, and actively managed foreign exchange rates and fee structures minimize exchange risk effectively. Payment orchestration extends well beyond B2B payments, but its benefits also extend into all aspects of a company's commercial operations.

4. Explore the Benefits of Virtual Cards

While payment orchestration represents large-scale transformation, virtual cards can be adopted immediately with minimal resources and have a significant impact on B2B payment efficiency. The



Did you know?

a 322% jump from current levels.
(PYMNTS)

14% of mid-market firms plan to adopt virtual cards in 2025

The B2B virtual card market will reach US **$14.6 trillion by 2029**

OR

83% of total virtual card spend.
(Mi3)

Businesses using virtual cards are **14 pts** more efficient in working-capital management and **12 pts** less likely to face cash-flow issues.
(U.S. Bank)

value of global B2B virtual card payments will reach $14.6 trillion by 2029, representing 83% of the total virtual cards market globally, according to Juniper Research. This growth is fueled, in part, by demand for digital-first payment options that can be quickly integrated into digital wallets. It's also driven by the adoption of API-based virtual card issuing.

Virtual cards' real-time, cross-border functionalities enable international businesses to reduce risk amid volatile trade conditions and shifting tariffs. They support multiple currency denominations, allowing supplier payments in preferred currencies without complex foreign exchange management.

Using virtual cards for merchant-to-supplier payments offers more advanced fraud protection and automation capability than traditional ACH or account-to-account payments, as they leverage single-use card numbers and tailored payment security. Single-use numbers eliminate credential theft risks since compromised details become useless post-transaction. Merchant category restrictions and spending limits prevent unauthorized use even if details are intercepted. Digital formats enable real-time monitoring and instant deactivation when suspicious activity appears.

Even as they provide greater fraud protection, virtual cards also displace higher-cost payment methods through competitive interchange rates and reduced fees. Wire transfer charges, check processing costs, and cross-border fees decrease when virtual cards handle equivalent transactions. Automated processing efficiency further reduces total payment operation costs.

Lower costs, improved efficiency, and increased control make virtual cards attractive for all organizations making B2B payments.

Fast, fully automated reconciliation is another key virtual card benefit. Each transaction carries detailed purchase data including invoice numbers, cost centers, and project identifiers for increased payment visibility. Rich data eliminates manual matching processes consuming finance resources, and reconciliation automation accelerates financial closings and improves reporting accuracy.

That same rich data enables organizations to analyze spending patterns, vendor relationships, and payment timing. Custom fields capture business-specific information like project codes and departments. Granular data supports better budgeting, forecasting, and vendor negotiations.

Lower costs, improved efficiency, and increased control make virtual cards attractive for all organizations making B2B payments. Their fraud protection, cost savings, and risk reduction deliver measurable returns, and help businesses facilitate faster, more secure transactions and support streamlined payment processes on a global scale.

5. Anticipate What's Next for B2B Payments

The widespread adoption of AI promises more secure and streamlined B2B payments in the future. Machine learning models trained on transaction datasets identify fraud patterns invisible to analysts. Predictive analytics optimize payment timing for cash flow while maintaining vendor relationships. Natural language processing automates invoice processing and approval workflows. AI-powered automation promises elimination of manual finance tasks.

But before AI takes over completely, organizations should expect more reliance and emphasis on digital, alternative, and virtual payment methods. The shift from paper processes accelerates as businesses recognize efficiency gains. Alternative methods including blockchain systems and digital currencies may reshape payment landscapes. Virtual cards will likely become default methods for many B2B categories.

Technology convergence creates new payment possibilities. Open banking provides account data access enabling greater visibility and more payment choices. Embedded finance integrates payment capabilities directly into business platforms. Real-time networks eliminate settlement delays characterizing B2B transactions. These developments promise B2B payments matching consumer transaction simplicity.

To take full advantage of these technological advancements, finding the right payment partner is essential. UATP is that partner, offering solutions that improve efficiency, speed to market, and fraud controls while simplifying reconciliation. Decades of payment processing experience and global networks position UATP to understand B2B payment complexities, particularly when implementing and scaling virtual card programs.

UATP's technology enables on-demand virtual card generation, granular spending controls, and detailed transaction capture. By partnering with UATP, businesses, merchants, and suppliers can set themselves up for sustainable growth in an increasingly digital marketplace.

The future of B2B payments will be defined by greater automation, improved security, and reduced friction. Digital payment benefits will extend beyond cost savings to improved vendor relationships, cash visibility, and operational risk reduction. As the B2B payment ecosystem continues to change, businesses must evaluate payment strategies carefully to maintain competitiveness in digital economies, and most importantly, select partners who understand both current challenges and future opportunities.

Ready to rethink how your business pays and gets paid? UATP can help you build smarter, more connected B2B payment systems. Get in touch with our experts here.

The UATP Advantage

As the world's most secure closed-loop network, UATP combines a proven reputation with extensive industry expertise to design, create, and implement high-performance payment solutions at a competitive cost, without sacrificing quality of service.

To learn how UATP can help improve your payments strategy, visit www.uatp.com.

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