



CASE STUDY:

The Benefits of Accepting Cards in the B2B Sector



THE CHALLENGE

- Businesses in the B2B sector face challenges getting paid in a timely manner for their services. Waiting 30, 60 or even 90 days for cash payments decreases the effective value of each dollar collected, and the longer a payment is outstanding, the greater the risk it won't get paid at all.
- While the B2B sector is a 5.83 trillion-dollar industry and has a gross usage of \$523 billion in Credit – and growing – many companies are still reluctant to offer credit card payment options to their business customers due to concerns about the fees associated with the acceptance of cards.
- The irony is that Interchange Rates and associated card processing fees in B2B space – generally considered a low-risk industry -- are typically lower – or MUCH lower -- than the associated loss of cash value due to the time value of money as companies wait for cash payments.

TOUCHSUITE SOLUTION

- TouchSuite's electronic payment services provide companies in the B2B sector a way to effectively get their money today, circumventing the issues associated with extensive Days Sales Outstanding (DSO), and mitigating the opportunity cost associated with the time value of money. This means more cash available to run your business!
- Having customers pay today with a credit card also significantly reduces delinquencies and write-offs from the levels often experienced in the 30/60/90 days cash payment environment. Plus there is the added savings of not having to mail invoices to your customers.
- While B2B customers may like the cash flow benefits associated with longer payment terms, the reality is that when using a credit card, they still have as much as 45 days before their card payments are due, depending on when a charge is incurred in their statement billing cycle.

THE RESULTS REALIZED

- As a result of accepting credit cards in the B2B space, one of TouchSuite's most valued merchants has processed over \$5 million in transactions with us year-to-date. If this company had instead been invoicing these same transactions on 30-day payment terms, they would have lost roughly \$60,000 in realized revenue value based on current interest rates and net of the affordable fee structure that TouchSuite provides.
- While accepting credit card payments has provided the aforementioned benefits to our merchant, it has also helped to build loyalty with their current business customer base by providing them with an attractive payment alternative, which in many cases is further enhanced as these customers often realize additional rewards in the form of points and other assorted benefits from their credit card providers.