

The Hidden Costs of Paper-Based Payments

How Electronic Payments Save You Time, Cut Your
Costs and Improve Your Customer Relationships

The Hidden Costs of a Simple Check

B2B payment methods are slow and costly. For example:

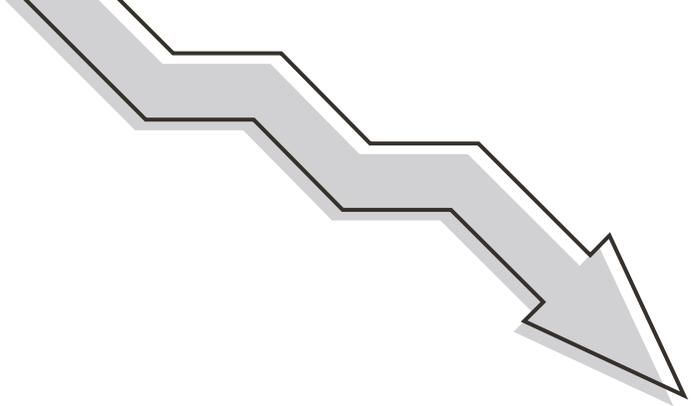
- According to Scotiabank, sending a check costs \$9-\$25 per transaction. In addition to these high costs, checks take at least five business days to clear.
- Wire transfers cost a minimum of \$25 plus a percentage of the amount sent, such as \$50 for a \$10,000 transfer. To send a wire transfer, you must collect a lot of information from your payee and wait in line at the bank. While they reach domestic payees on the same day, they can take up to 10 days to reach international payees.
- Money orders cost \$7-\$10 per transaction and require a trip to the bank. When they reach your payees is dependent on the speed of the postal service. Money orders are also prone to fraud, so banks are encouraging people not to send them.
- Accepting credit card payments costs 2.5%-3.5% of the transaction, plus a \$0.30 fee. Although payments settle instantly, it could take a few days for the funds to arrive in your account.

These costs not only include transaction fees but also the following hidden costs:

- **Administration**, such as employee time spent authorizing and writing payments. For example, your bookkeeper needs to type the check, wait for your CFO to sign it, mail it and follow up to make sure the payment went through.
- **Opportunity costs**, such as a vendor refusing to start a project until they receive a down payment. Meanwhile, the person who needs to sign the check is on vacation.
- **Paper management**, such as keeping track of bank statements, filing and storage costs. Most banks also charge a green fee to print and mail paper statements.
- **Distribution**, such as mailing supplies and postage. You also have to rely on the postal service to get mail to your customers, so payments may not make it on time if there are delays due to weather, strikes or transportation issues.
- **Accounting**, such as the time spent reconciling payments. Since paper-based systems don't integrate with your accounting software, this can cause your bookkeeper a lot of headaches.

All of these costs impact your bottom line. Plus, the time you spend on payment administration takes time away from projects that will grow your business.





How the High Costs of Paper-Based Payments Impact Your Business and Bottom Line

Although many small- to mid-sized businesses (SMBs) want to modernize their payment systems, they often can't find better options.

Banks have not built tech products that help SMBs streamline their payment processes. The banks feel that their existing offerings work, so they aren't investing in innovation.

Meanwhile, SMBs don't have the resources that larger companies have to build integrated payment systems.

However, if you fail to modernize your payment systems, you will:

- Spend more time on AP and AR and not enough time growing your business. For example, reconciling paper-based payments takes a long time. Matching invoices to paper payments is a slow process that is difficult to scale as your business grows.
- Spend too much on the high costs of wire transfers, checks and credit card processing fees – which digs into your bottom line.
- Be vulnerable to fraud if your payment systems are paper based and not secure. Once you write and mail a check, you have no way of changing or cancelling it if you suspect it's prone to fraud.

- Fall behind your competitors if you can't provide customers with their preferred payment options. Your customers will turn to others who can meet their needs. Plus, using checks makes you seem "old school" and out of tune with the evolving business landscape.
- Decrease your customer satisfaction if their payments get lost in the mail or a mismatch of systems.
- Hurt your vendor relationships if you can't locate their invoices or miss a payment.
- Stall mission-critical projects if you can't send vendors deposits ASAP.
- Harm your ability to get loans. Funders often ask for references from your vendors to be sure that you make payments on time.

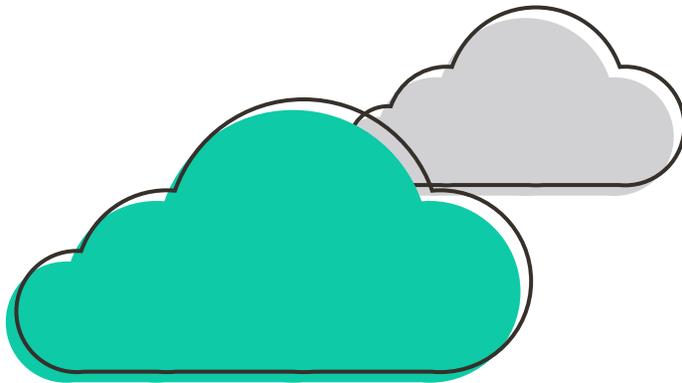
But you don't need to face these risks...

New B2B payment systems are emerging that will help you streamline your payment processes, save time, save money and send and receive payments faster.

Slash Your Costs and Speed Your Payment Processing Times With a Cloud-Based Payment System

The first step towards modernizing your B2B payments is replacing your paper-based methods with a cloud-based, electronic payment solution.

Using a cloud-based system streamlines your AP and AR functions – allowing you to spend less time and money managing payments.



It also helps you:

- Manage all of your business payments from a single platform
- Easily collect recurring payments
- Save money on business payments, as you'll pay less for paper checks, wire transfers, storage, administration, fees and dispute reconciliation
- Get paid faster
- Quickly get approvals for business payments
- Gain visibility into your payables and receivables, such as instantly seeing when payments clear
- Improve your customer and vendor relationships, as you won't miss as many payments
- Protect your company against fraud

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5 Things to Look for in a B2B Payment System

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A cloud-based payment system allows you to quickly send and receive domestic and international funds – streamlining your AP and AR processes and slashing your costs.

But to achieve these benefits, you need the right system. Here are five things to look for in a B2B payment solution:

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Secure Payments

Your business is only as secure as your payment data.

Recent high-profile breaches have exposed customers' payment data – causing a security, financial, and PR nightmare for leading brands. However, not only the big names are at risk – all businesses are at risk of lost or stolen data.

Checks are the payment type that are the most vulnerable to fraud. According to AFP, 45% of companies experienced a financial loss due to check fraud with the average unauthorized check transaction value of \$1,221.^{6,7}

A cloud-based payment system eliminates check - and other paper-based payment – fraud. Keep all of your transactions secure by looking for a cloud-based payment system that offers the highest levels of security to encrypt and protect your customers' data.



⁶ 2015 AFP Payments Fraud and Control Survey

⁷ 2013 Federal Reserve Payments Study

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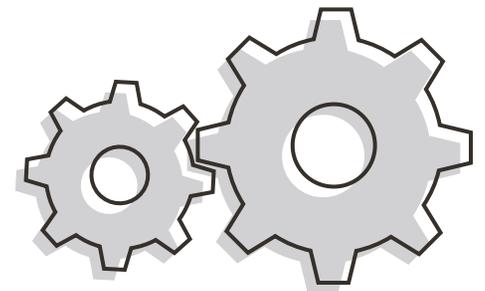
Integration

Many B2B payment systems perform a single function. You need one system to send payments, another to receive payments and yet another to reconcile them. Using multiple systems makes errors and inefficiencies a given.

However, you don't need multiple systems to manage your payments.

Look for a payment system that lets you perform all of your AP and AR tasks from one platform. It should:

- Integrate with your accounting software, so you can easily import your invoices, bills, payees and customers.
- Slash your administration time by allowing you to reconcile transactions with a single click.
- Integrate with every bank and credit union, so you and your payees can quickly receive funds.
- Allow you to customize your permissions, so you'll always have someone on hand who can authorize, edit, accept and reject payments. This means you won't have to wait for someone to come back from vacation to sign a check.



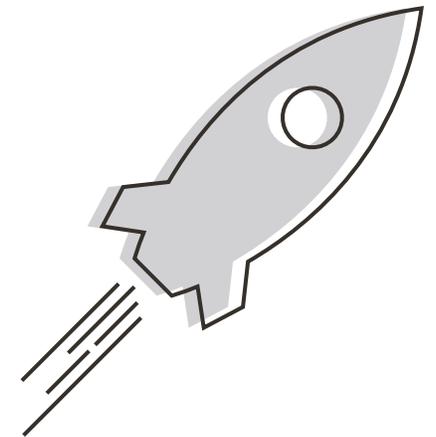
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Speed

In today's quickly-moving business world, speed is everything. Your payment system shouldn't slow your business down. Look for a system that allows you to get payments out right away.

It takes two to three days for most banks to clear checks – and that's after waiting 30 to 45 days to receive one. Your payment system should dramatically reduce your wait times and then deposit payments immediately after they clear. This will slash your processing times. Plus, when you receive payments quickly, you can be confident that you'll have the funds you need to run your business.

You'll also need visibility into your payments. For example, log in at any time and see where funds are in your payment cycle. That way, you'll know exactly when your payments will go through and can keep others informed of their progress.



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Low-Cost Services

The costs of sending and receiving payments go far beyond bank fees. They also include the administrative costs of preparing, initiating and receiving payments – such as postage, mailing supplies and employee time. You also have the costs related to errors and disputes.

Your payment system should address all of these issues. Look for a system with low transaction, set-up and monthly fees. It should also be easy to use so that it will reduce your administration time and costs.



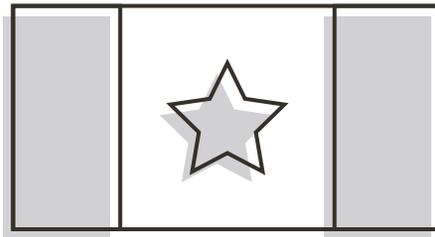
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Easy Cross-Border Payments

While the U.S. and Canada are strong trade partners, sending payments across the border is typically a slow and expensive process. You can mail a check that would take up to a month to clear in your vendor's bank account.

Or, you could drive to the bank, wait in line and pay more than \$125 to send a wire transfer. Then, you must manually enter and track the wire transfer, which drives up your administrative time and costs.

Your payment system should make it quick and easy for you to send and receive these payments too.



The Secure, Easy, and Low-Cost Way to Send and Receive Business Payments

Plooto is a cloud-based payments solution that allows you to easily manage all of your business payments from one integrated platform.

It's FREE to set up an account, there are no monthly fees and you don't need to download any software.

With Plooto, you can:

- **Access all of your payment data from a single, integrated platform.** Plooto syncs with your accounting software to give you a 360-degree view of your payables and receivables. Import your bills, invoices, payees, customers and bank accounts from your accounting software – such as QuickBooks, Xero, and many more.

Having all of your payment info in one place saves you time while minimizing data entry errors. For example, you won't need to manually enter a payee's banking info into your payment system. This reduces your risk of a bounced payment because you didn't enter the numbers correctly.

- **Send and receive payments faster.**

Tired of going to the bank to deposit checks or waiting up to five business days for wires and other online payments to clear? With Plooto, you get money deposited directly into your bank account as soon as it clears.

When it comes to making payments, you can use Plooto to pay anyone – from anywhere and at any time. Your payees don't need a Plooto account to receive money from you. Plooto will deposit funds directly into their bank accounts. In addition, Plooto also allows for a seamless and secure direct debit experience with the highest levels of security. Your customers will receive an electronic Pre-Authorized Debit (PAD) agreement and funds are debited automatically.

No more waiting in line at the bank to send a slow and expensive wire transfer or worrying about a check getting delayed in the mail.

Plooto allows you to go online and send funds directly to payees' bank accounts. With Plooto Instant, your payments will be deposited directly into payees' bank accounts as quickly as the next business day.

The Secure, Easy, and Low-Cost Way to Send and Receive Business Payments (cont'd)

- **Save money**

It can cost you up to \$25 to send a check and more than \$125 to send a bank wire transfer – including bank fees and your administrative costs. If you use credit cards, you could lose as much as 3.5% of your sales to transaction and credit card fees.

With Plooto, you pay as little as \$0.50 per transaction. That's all.

- **Send and receive payments anywhere in the country, as well as make cross-border payments between the U.S. and Canada**

Cross border payments have never been simpler.

With Plooto, you can send money to anyone across the border for a flat fee of \$9.99 per transaction. All you need is their email address. It's that easy.

When you send money, you can also exchange currency right in Plooto. We offer lower exchange rates than the banks, since we have access to mid-market rates.

- **Keep your payment data secure.**

Plooto's number one priority is security. You can rest assured that your sensitive payment data will meet or exceed the most stringent security requirements, such as those of Fortune 500 companies and global financial institutions.

All communications that go to and from Plooto are fully encrypted for the safety of your business. You can pay suppliers, contractors, consultants, and anyone else without having to manage their sensitive account information.

Are You Ready to Improve Your Payment Processes and Save a Tremendous Amount of Time and Money?

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[Sign up for Plooto now](#) – it's fast, easy and FREE.

After you sign up, you can immediately start sending and receiving payments through Plooto. There are no setup or monthly fees.

You can also contact us at sales@plooto.co
or 1 (844) 4PL OOTO (475 6686) to request a custom, 30-minute demo.