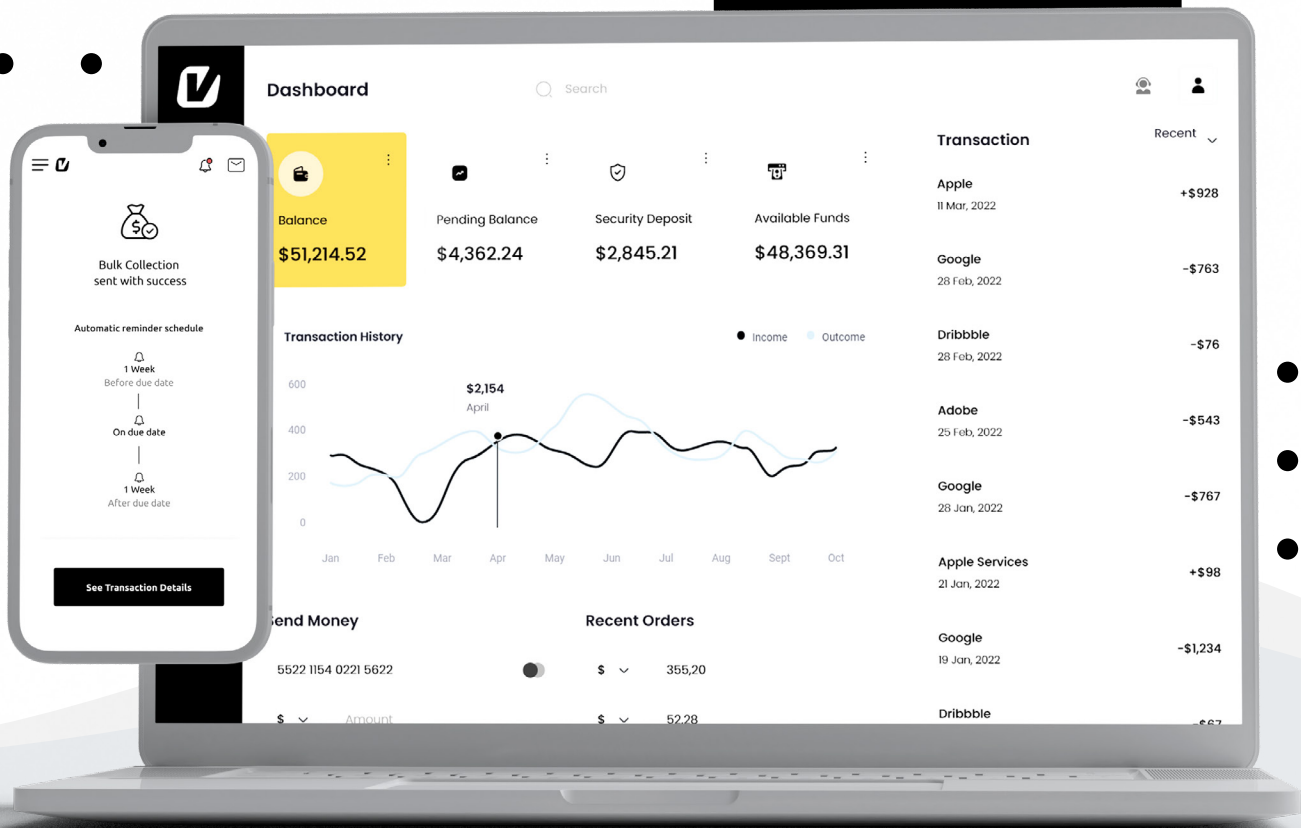


How A Prominent Lender Simplified Its Business Payments And Increased Operational Efficiency By 25%

Case Study



VoPay

The alternative lending space is growing at an unprecedented rate. In 2020, nonbank lenders' share of loan originations leapt to nearly 70%. Not to mention, projections say transaction values will hit US\$344.50bn by the end of this year.

For many, online lenders have become one of Canada's simplest and most pain-free methods to source funding, fast. With the sharp increase in "new kinds of lenders" in the market and a need to stay ahead of the curve, the company began to look at new avenues to help maintain its competitive edge and deliver the customer service they were known for, all the while cutting down on costs.

By integrating VoPay payment solutions into their operations, they were able to cut costs, save time, and reallocate resources. As a result, the company has been able to scale up quickly by using less staff, automating many of its processes, and significantly reducing the amount of time spent on collecting payments.

The Background

With over 15 years of experience in the alternative lending space, the company is a well-established lender committed to helping customers get financing for the furniture they want, regardless of credit difficulties. As an alternative finance lender based in Canada, its goal is to make loan disbursement for its clients simple, fast, and safe.

With age-old and outdated manual payment processing systems, the organization encountered astronomically high expenses due to costly inefficiencies. With a company mandate to consolidate where they could, they looked to VoPay's Fintech as a Service platform.

A quick glance of the VoPay website found it delivered precisely what they were looking for:

- Simple solutions including debiting and crediting accounts
- Real-Time payouts
- A developer-friendly API that could be easily integrated into their systems
- Automatic mass collections and fund disbursements

This Lender Knows Whoever Funds Fastest Wins

Established in 2006, this organization fast became a popular option for consumers looking for a faster turnaround time and more flexible lending requirements. The company has grown from 4 employees to a team of 10 employees assisting thousands of marginalized consumers needing a helping hand with furniture financing options.

*"The lending industry is growing like mushrooms. So, you need to be on top; it's no longer just about satisfying your clients; you also need to wow them. It's all about speed. How quickly can we accept this client and deposit it into their account? And how easy can we make it?" - **Company CEO***

The Problem: The True Cost of Manual Processes and Operational Inefficiencies in Lending

When it came to its payment processing, the business was bogged down with an inefficient process. It was determined that 25% of employee workforce hours were dedicated to manual payment data entry, NSF reconciliation, and fixing clerical errors.

"Digitalization has the potential to save up to 90% on operational expenses, and we saw the activities in payment processing play a big part in that."

Lenders cannot afford the thousands of dollars in labour and lost time that is wasted every year. Human errors, inefficient business processes and repetitive tasks took a big chunk out of their bottom line.

“Before automation, the process was archaic. When you consider how payment processing was done in the “good ole days.” We would send them a list, and someone would manually enter every payment into the system. Our supervisors would lose anywhere from two an hour and a half to four completing NSF reconciliations every Monday morning. It is hard to believe this is common practice in the industry.”

The Organization’s Goals:

- Reduce Repetitive and Manual Tasks
- Deliver opportunities for Automation
- Shift FTE Time to High-Value Work
- Allow them to capitalize on future payment trends

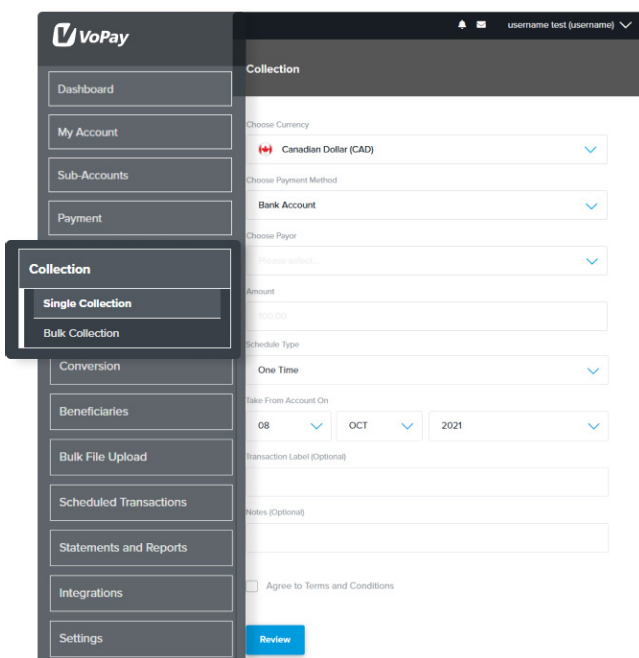
The Solution: Simple Movement of Money

They had one main goal from a system. They wanted to deliver a simple customer journey. Firstly, for the client, it had to be easy. The less information the client needed to provide, the less information to be entered. Ideally, they wanted a completely automated system where there would be no unnecessary human involvement once the client was approved.

*“Two clicks and you’re done. Sign up, sign in, find the contract, click the accept button, and boom, your money is on the way. You can expect the funds in your account by 6 pm today.” **Company CEO***

With a mandate to consolidate and automate company-wide systems and platforms, the organization began to consider and investigate its options. Through conversations with lending industry experts, they began to research VoPay’s payment platform as a potential candidate.

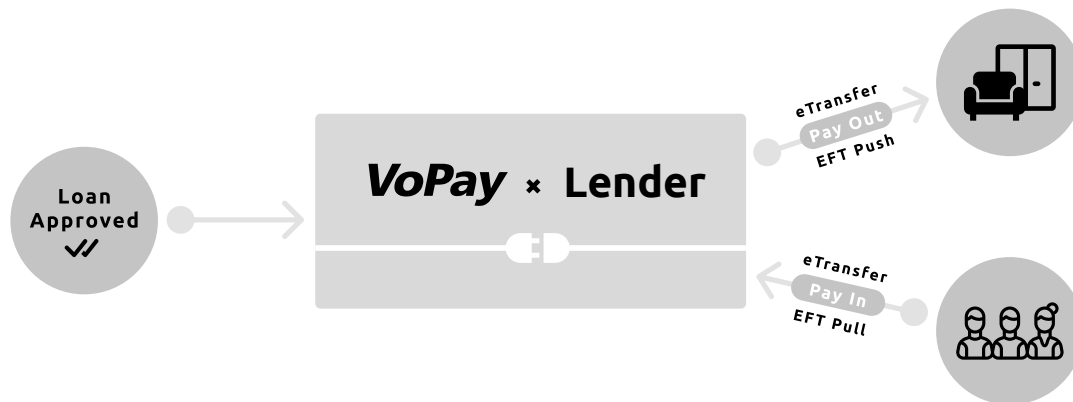
“What I loved was that even before entering into discussions with VoPay CEO Hamed Arbabi, in just looking at the website, I quickly identified what they did, how it would work for us, and its simplicity when it came to API integration. It fit the bill and checked all our boxes.”



Transaction Details

Transaction ID	436984
Transaction Status	Successful
Transaction Date	2022-02-14 02:30:11
Last Modified	2022-02-14 09:05:05
Type	Fund
Amount	\$1,250.00
Hold Amount	\$0.00
Currency	CAD

For this lender one of the biggest standouts was the e-Transfer for business solution functionality. They felt it would deliver a strong competitive edge as their competitors didn't use e-Transfers, nor were they doing it automatically.



Removing Barriers to Long Term Growth

It was right from the get-go. During the first conversations with the team, VoPay identified its payment platform would address the organization's challenges and move them far ahead of its competitors. There was a perfect alignment between what they were looking for and what we, as an organization, could deliver.

- One go-to system that would eliminate the need for multiple, disparate financial systems.
- The ability to automate sending and receiving payments quickly, complete with transaction visibility.
- Implement a platform that would remove the labour-intensive process of manual entry input and chasing NSF payments.
- Provide an enhanced client experience that ensures a seamless customer journey, helping to encourage repeat business

"The biggest thing that makes us proud as a team is how we're helping our clients, getting them off the ground quickly, and building products that are client-based and market-driven. Our goal in working with this lender was to allow them to focus on their expertise and their products and leave the payment side to us. With our solutions in place, they can now focus on growth rather than trying to solve the problem of payments." **Hamed Arbabi, CEO at VoPay.**

The Results: Quantifying the Qualitative

Moving forward, the lending industry needs to start looking at quantifying the qualitative. In particular, lenders should reevaluate how workforce time is organized and introduce processes that no longer require human intervention. Top industry players begin to see the big payoff when workforce hours shift to more strategic tasks.

The biggest win has come from time saved. By freeing up full-time employees from manual payment processing, cost savings can be seen immediately from an operational efficiency standpoint.

"To be quite frank, the cost-saving has been huge. Whether it be money, time, or staff, whether it be the amount of time that it takes for somebody to think about and then act upon an issue that has arisen from processing payments."

Company CEO

With VoPay’s extensive knowledge of payment technology and a clear understanding of the specific requirements lenders need, VoPay implemented a payment solution that delivered a complete operational overhaul by modernizing and simplifying their collection and disbursement processes.

The company was spending an average of **10 workforce hours per week** on manual reconciliations. On top of this, they received 500 NSF’s per month, requiring an **additional 20 hours per month.**

60 hours per month x 12 = 720 workforce hours per year
720 x 30/hr = \$21,600

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Building The New Standards In Payment Technology

VoPay’s industry-leading payment solutions mean lenders can send and collect mass payments, automatically, quickly, and easily. Cut down on costs and add to the bottom line with VoPay’s embedded payment solutions.

If, like our client, you would like to access VoPay’s embedded payment solutions

Speak With Our Expert Team Today