

B2B Payments:

A 2022 Guide to
Business Payments

ALL YOU NEED TO KNOW



VoPay

2022 B2B Payments Guide: Introduction

It is time for B2B payments to step up and follow the lead from business to consumer (B2C) and peer-to-peer (P2P) payment trends. Despite all the payments innovation on the consumer side, advances in the business-to-business payments space have been slow to arrive. However, indications are strong that has changed.

As expectations become increasingly influenced by the B2C world, speed, seamless, and integration have fast become the words in the payments ecosystem. Payment methods are no longer static. New features, new technology, and new trends are a given; consequently, businesses that stay on top of recent technology trends will stay ahead of competitors.

C-Suite Levels of Confidence In Preparedness For The Technology Revolution

HIGHLY CONFIDENT

22%

Strong understanding of workforce effects and organisational structure

16%

Strong understanding of solution integration within external structures

8%

Strong business case for new technology solutions

HIGHLY PREPARED

20%

Strong understanding of workforce effects and organisational structure

17%

Strong understanding of solution integration within external structures

15%

Smart and autonomous technologies

Source: OpenPayd

With this in mind, we have compiled all the most up-to-date resources to deliver a comprehensive B2B Payments Guide to help companies capitalize on market inefficiencies to gain a competitive advantage to increase their valuation.

NOT SO FUN FACT

Did you know the average small and medium-sized business (SMB) receives 72 one-off or nonrecurring ad hoc payments each year, and 30% of those payments come in late.

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About VoPay

Payments fuel every business, yet the existing way of managing payments and collections is outdated and inefficient. We fix that.

As a recognized industry-leading payment technology provider, VoPay's Fintech-as-a-Service provides businesses with a scalable B2B payments platform. By embedding our payment processing services into any software solution, companies can connect to all major payment rails and simplify the complexity of offering local payment methods.

Our API-driven technology streamlines account-to-account payment initiation and management, allowing digital enterprises to configure a payment experience that works for their customers.

With VoPay's unified developer-friendly technology stack, companies can offer secure, fast, and direct bank account payments without building their own infrastructure or integrating multiple, disparate financial systems.

Our platform embeds financial services and real-time payment capabilities into existing applications, products or services, allowing companies to leverage customer-centric, data-rich information for better decision-making. By streamlining money movement and eliminating payment inefficiencies, companies can go to market faster and offer innovative financial solutions to their customers.

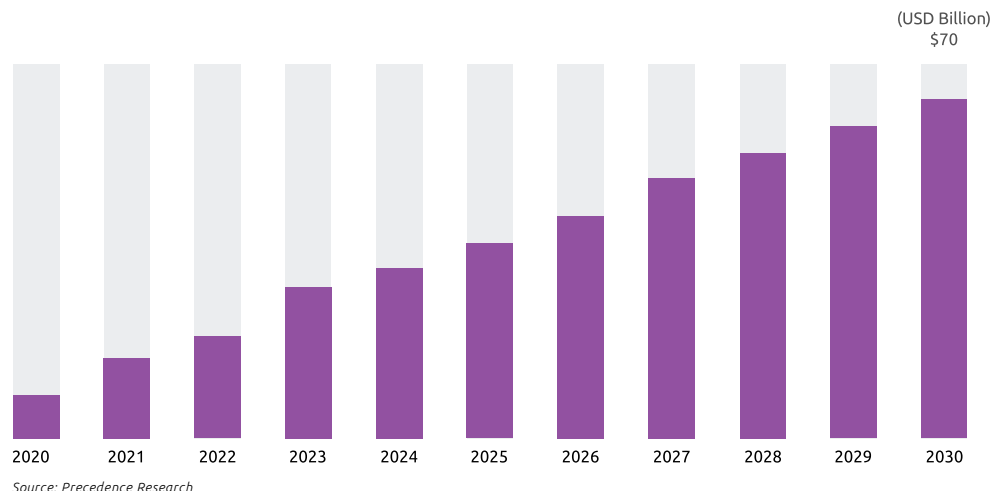
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2022 B2B Payments Guide: A Market Outlook

How businesses pay and get paid has become big business. In fact, by **2030**, the B2B payments market will sit at **US\$ 70 Bn.** Much of this growth can be primarily traced to the increased import and export of goods and services worldwide. Over the last few years, the rapid expansion of trade around the globe has seen a jump in cross-border business transactions and an overall need to move money better and faster.

B2B Payments Transaction Market Size 2020 - 2030



For example, we see automation technology in the B2B space creating some very lucrative growth opportunities for the market. As a result, paper checks are out, and more advanced digital B2B payment solutions are in.



Across the B2B payments universe, we see the largest revenue opportunities in AP invoice processing, AP payment processing, working capital management and factoring, and cross-border payment optimization.



What business are spending on manual, paper-based payment processing, which is a big burden in terms of time and money.

The Rise Of Digital Payments

No matter how far back you go in history, humans always looked for a better, faster and easier way to pay and get paid. Whether the currency was gold, paper, or plastic, payment methods have evolved, moulding themselves to present-day customer expectations.

Once upon a time, it was cash that dominated the markets of the world; however, as the landscape of global markets evolved, so too has the payment landscape. Now more than ever before, the world is running on digital currency. If we thought the industry was evolving pre-pandemic, the period from 2020 to now has propelled the entire ecosystem light years ahead. Trends such as digital wallets, account-to-account payments, and buy now pay later have completely altered the payment space in ways we could never have anticipated. Be it B2C or B2B, people and businesses expect a fluid and simple payment experience.

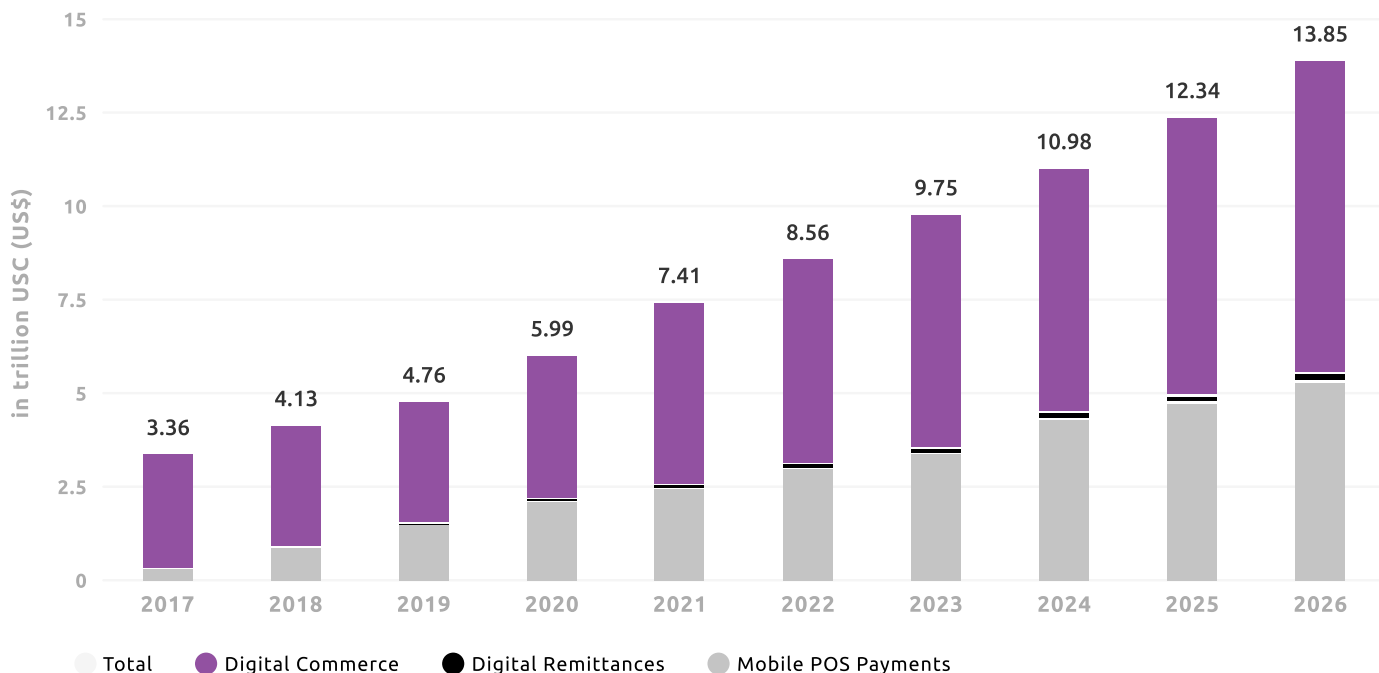
According to a recent Statista report, the global digital payment market will see transaction values of US\$8.56tn by the end of this year. This shows no signs of slowing down, with the projected total amount reaching US\$13.85tn by 2026.

The dramatic surge of contactless and digital payments continues to be well documented. Be it Canadians or our global counterparts, digital payments have become the only way to pay.

“Covid was a big catalyst for the adoption of digital payments and digital forms of commerce.”

Guido Sacchi - chief information officer, Global Payments

Transaction Value By Segment



2022 B2B Payments Guide: Payment Methods



While digital technology has increased the importance of electronic payment methods, they are not yet fully adopted throughout North America. Businesses must do away with paper and go digital; a faster flow of payments delivers a win-win. Below is the list of the most significant changes we see in payment methods and how they impact your business.

Traditional Payments

Cash

Cash is no longer king; banknotes and coins have decreased in volume by **44%** since 2015. Digital payments continue to win over consumers, and cash is beginning to see its way out the door.

Checks

Falling fast out of flavour. One of the oldest payment methods in the modern era was down **28% from 2020**.

Wire Transfers

Holding on tightly. In the U.S., these wire payments systems are still standing. Why? Because many businesses prefer their same-day funding functionality, and more often than not, they are perceived to be a safer way to send and receive large amounts of money. Will this be overturned as real-time payments take center stage? The answer is a firm yes. Move over wire transfers – real-time payments deliver a much better business boost.

Digital Payments

Credit Cards

While still a widely used payment source, credit cards are not as sought after as they used to be. In 2021 we saw a year over year decline of **11% in credit card usage**. As businesses become more financially savvy, these will continue to bypass other methods due to their high processing fees.

Interac e-Transfer For Business

Interac e-Transfer saw a record year with more than **763 million** Interac e-Transfer transactions sent.

Already well recognized in Canada, e-transfers offer a simple, convenient, and secure way to send and receive near real-time payments at scale directly from one bank account to another. With the real-time rails set to launch in 2023, expect e-transfers to make massive headway this year.

Electronic Bank Transfers In Canada (EFT) / Automated Clearing House (ACH) In The US

Otherwise known as account-to-account (A2A) payments, expect this to be the next big thing in payment disruption. In 2020, Canada reported **2.9 billion** EFT transactions worth **\$5.1 trillion**; meanwhile, in the U.S., A2A payments represent the **fastest-growing** sector of debit payments.

Digital Wallet

Is B2B there yet? Undoubtedly, e-wallets that securely store payment information for various payment methods have quickly become a consumer favourite. While it may be too early to say the B2B world is ready to leverage this technology, there is a strong indication that this **could be the next step in B2B payments**.



2022 B2B Payments Guide: B2B Payment Trends

Watch this space. Let's face it; if you are running a business, there is no shortage of articles, blogs, and case studies of payment trends to watch for. The world is shifting, and next-generation payment methods are on the docket. B2B payments are put into fast digitization mode. With payment innovation and growth on the horizon, expect businesses to jump on the four following payment trend bandwagons.

Account-To-Account (A2A) Payments

Merchants and consumers alike embrace A2A payments. As consumers and businesses bypass credit card fees and their limits, A2A payments are on the rise. As the demand for contactless, frictionless, and speedier payments continues, businesses see the need to evolve, innovate, and adapt to meet consumer expectations.

B2B Meets Buy Now Pay Later (BNPL)

Of all the trends that popped up, we can't think of any that has affected the world of payments more than buy now pay later (BNPL). This payment trend generated over **\$100 billion** in 2021. It is only a matter of time before BNPL makes headway into the B2B space.

Real-Time Payments (RTP)

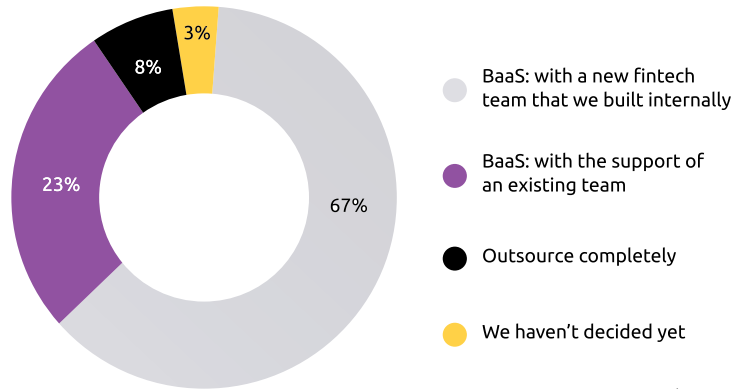
The always available payment system that delivers funds in a matter of seconds. 24/7 365 send a payment one minute, and settlement happens instantly. Expect this payment trend to be a game-changer for small and medium-sized businesses. RTPs will provide the massive boost companies need to help with cash flow difficulties.

Embedded B2B Payments

Embedded payments help companies optimize the payment process and reach new markets at significantly lower costs. An embedded payment solution is when payment processing functionality has been integrated within the software solution, meaning merchants can accept payments right in their software. Embedded payments are on a staggering growth trajectory, and the embedded finance market is expected to hit **\$7 trillion by 2030**.

Embedded payments allow the software provider to fully own the payment processing technology and take advantage of the benefits of providing an all-in-one solution. In other words, they enable any company to integrate the entire payment journey into their end-user experiences seamlessly. Merchants use embedded payments to transform a strictly functional payment process into a personalized, intuitive experience. Integrating a simple API into the check-out process, embedded payments offer a convenient, frictionless experience that customers have come to expect.

Rolling Out Embedded Payments



Source: Open Payd

2022 B2B Payments Guide: The 6 Benefits to Business

Across industries, companies need both money and customers to survive. Consumers and businesses want a one-stop-shop. They need a fluid and simple payment experience, or they will head somewhere else. Electronic payments have become an excellent opportunity for businesses to enhance the customer journey, reaping numerous benefits.

1 - Deliver a Better Experience

Customers expect a seamless and frictionless payment process. With digital payments, customers can use a self-service platform and pay invoices from anywhere at any time. Providing the ability to pay directly from an email or invoice makes it fast and simple.

2 - Lower Risk With More Robust Data Security

Mitigate potential breach threats. Digital B2B transactions are much more secure. Forget handling sensitive payment information. Tokenization is the security solution platforms need.

3 - Payment Method Flexibility Means Faster Payments

Offering various modern payment methods often leads to getting paid faster, improving cash flow, and allowing companies to expand quicker.

4 - Traceability

Determining where a payment came from or where one is going becomes easier when things go digital. Avoid ambiguity and confusion while tracking payments and know where the money is at all times.

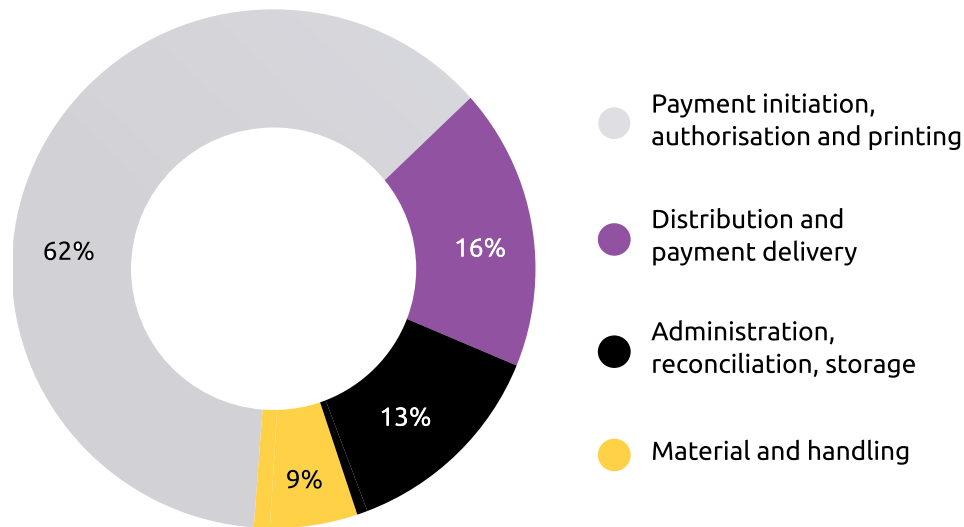
5 - Increase Revenue Potential

Monetizing payments generates new revenue streams. By tapping into the payment charged by merchants, businesses can add a small but significant share of stable revenue to their books. Additionally, it allows companies to charge processing fees and enter into potential revenue-sharing agreements.

6 - Reduce Processing Costs

Businesses struggle to process payments efficiently; manual payment methods create a labour-intensive process with little to no visibility into a transaction’s status. Managing and maintaining payment processing is no small feat, and it is costly to do so. Not to mention, many payment methods are loaded with fees and soft costs, including paper checks and credit card payments.

The Hidden Cost Of a Cheque For Your Business



Costs can be anywhere from \$15-\$25 per cheque, and as high as \$50 per cheque.

Source: Scotiabank's Cheque Insurance Model

Did You Know?

When you consider the labour, supplies, and amount of checks processed, the true cost of a cheque will sit somewhere between \$4 and \$20, according to the Bank of America.

2022 B2B Payments Guide:

A Payment Strategy for Every Business

Mastercard recently distributed a whitepaper aptly titled [“How Industry 4.0 is defining the future of business payments”](#). As we enter the fourth revolution, the lines between the physical and virtual worlds have been blurred. Technologies are moving at speeds that have never been seen before. As we can see illustrated in the graph below, C-level executives see the need for improvement to prepare. As companies confront their ability to take on the intricacies of rapidly changing technologies, partnerships will be vital. Connecting with partners who have proven to be technology savvy will play a huge role in future success.

Create Opportunities Don't Lose Them

Benefits Derived From CFOs Leveraging Accounts Payable Date.



Source: Ardent Partners, The State of ePayables 2017

Like every cloud-based application programming interface (API), the [“as-a-Service”](#) functions continue to grow. This includes the Payments as a Service (PaaS) market. With a market projection of **\$25.7 Billion** come **2027**, every company will take advantage of this technology. Across every industry, all businesses are set to become payment companies.

This cloud-based platform allows companies to accept various payment methods such as EFT, eChecks and credit cards, all through a single channel. PaaS delivers the customer experience clients expect with no added expense. Not to mention revenue generation from payment processing fees stays in the company.

Businesses gain better control over their cash flow while executives now have access to actionable data and payment information in real-time.

Did You Know?

PaaS can help your business monetize payments and ensure instant onboarding without the compliance, financial risk and time-consuming integration?

2022 B2B Payments Guide: Top B2B Payment Processors



Currencycloud is a global platform that enables banks and fintechs to move money across borders and transact globally in multiple currencies, fast. Since 2012, Currencycloud has processed more than \$100bn to over 180 countries, working with banks, financial institutions, and Fintechs worldwide.

Best for cross-border payments.



Founded in 2005, Lightspeed is a point-of-sale and e-commerce software provider based in Montreal, Quebec, Canada. Lightspeed helps you run your business regardless of whether you have a store, restaurant or eCommerce business.

Best for Retail and Restaurant payments.



PayPal is an online payments company that allows people to send money to others. PayPal was one of the original web payments companies and was purchased by eBay in 2002. PayPal also charges a 1% fee if you want instant access to your money; a free bank transfer takes several days.

Best for eCommerce or online small businesses.



Specialized in end-to-end payment processing, VoPay offers Fintech-as-a-Service to digital software companies. Our platform allows any company to embed financial services and payment capabilities into their existing applications, product and services through a single and scalable API. Vopay's payments network supports EFT, ACH, Interac e-Transfer for Business, Credit Cards and Visa Direct.

Best for Enterprise and API payments.

2022 B2B Payments Guide: VoPay Technology

Pass the complexity of moving funds on to us and ensure a seamless experience for all.

Unlock the next market leaders in the global digital economy with innovative digital payments technology offering comprehensive B2B payment solutions for acceptance and disbursement of direct bank payments. If you're looking for a provider, then look no further. VoPay empowers businesses to maximize efficiency, embrace faster payments and reduce operational costs. Companies can take advantage of our white-label services and customize payment flows while enhancing the user experience. So if adding payments quickly and easily with no risk, the ability to instantly onboard and generate new revenue streams sounds good, we are here to help.

CONTACT US TODAY

