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Improving Costs and Boosting Profits:

The Top 4 Steps SMEs Need to Take to Save Money on Payment Processing

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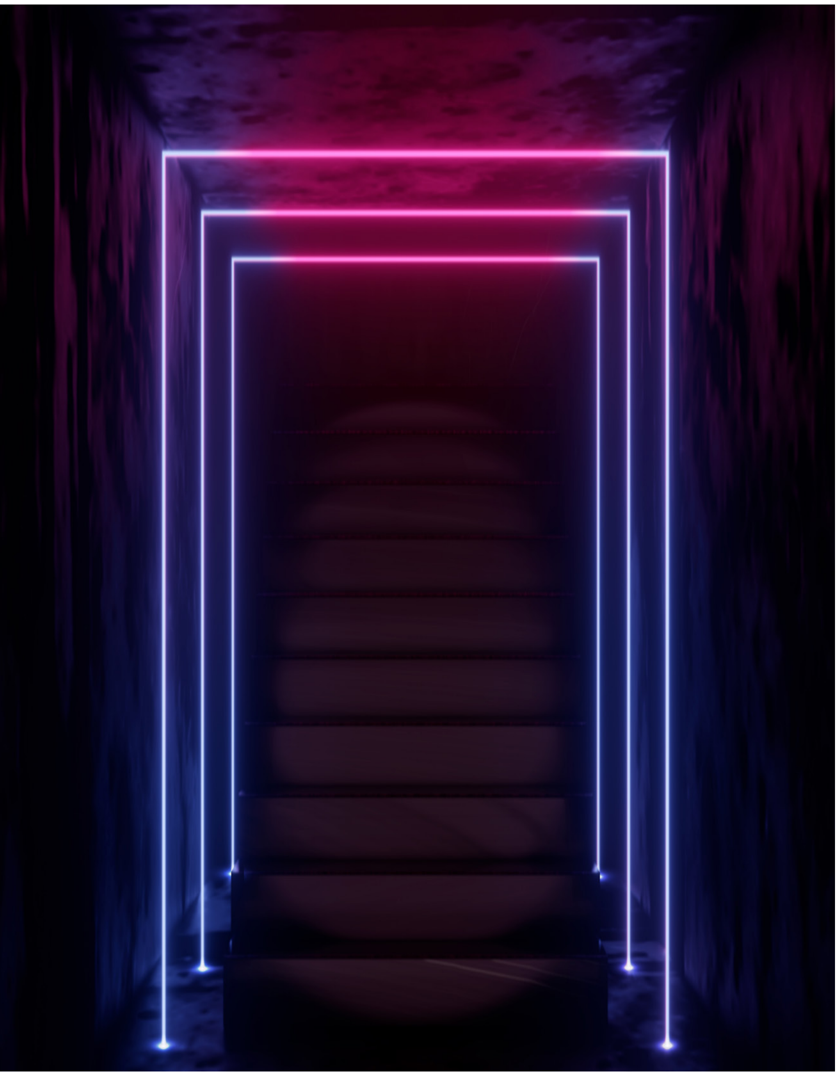


For small and medium-sized enterprises (SMEs), every penny counts. Maximising profitability and reducing expenses is crucial for their long-term success. One area where SMEs can significantly improve costs is in payment processing. By taking proactive steps and implementing smart strategies, SMEs can optimise their payment processing and minimise unnecessary expenses.

SMEs can improve costs and save money on payment processing costs, helping them improve their bottom line and allocate resources more efficiently.

PAYMENT ISSUES SMEs FACE

Research from Pay.UK last year found that 35% of SMEs felt that card costs and the time associated with managing them were either ‘significant’ or ‘noticeable’. Also, a quarter of businesses were using personal bank accounts, based on familiarity, that were not the most effective. Additionally, too much friction for both incoming and outgoing payments caused delays from suppliers, and customers not completing their purchases.

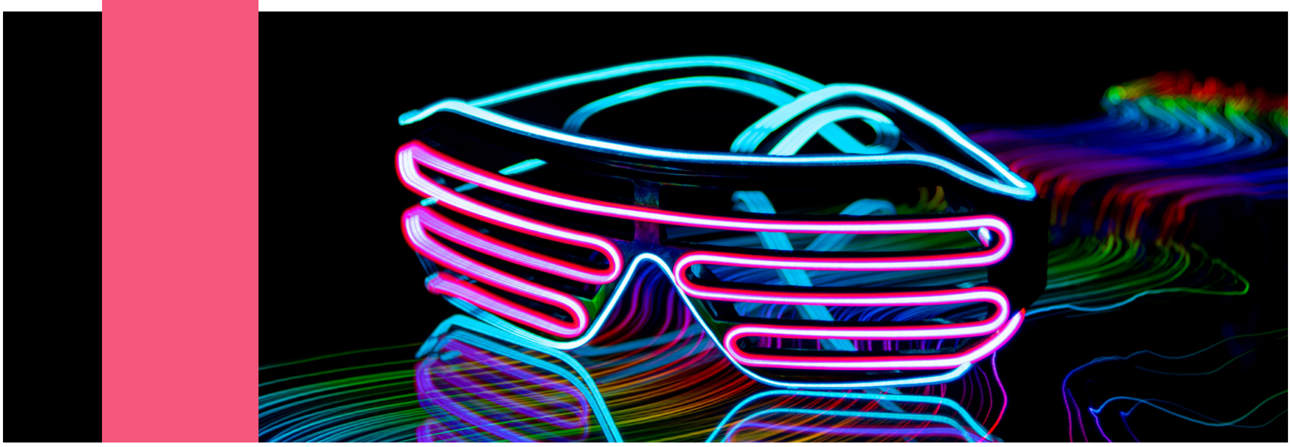
When it came to solving these issues, some SMEs found that it was just too complicated, while 18% thought it was risky and would be too difficult to make changes to their current systems. Clearly, simple and effective solutions are required for SMEs to make the most out of their businesses and maximise profits.

STEP 1:
COMPARE PAYMENT PROCESSORS:

The first step is to find a payment processor and compare it with others in the market. Research and evaluate different providers, considering factors such as transaction fees, monthly costs, contract terms, and additional charges. Look for payment processors that offer competitive rates without compromising on service quality. It may be sensible to negotiate with providers or switch to a more cost-effective option if it aligns better with your business needs.

SOME KEY THINGS TO LOOK OUT FOR:

- Compare basic services that each processor offers to ensure that the solution you select is right for your business.
- Look for what add-on services are being offered; such as payment gateways, virtual terminals, online shopping carts, real time processing, etc.
- Find out what their anti-fraud measures are, like chargeback protection and prevention programs and address verification.
- Ask about the range of cards the processor accepts- in the UK, most processors will accept UK debits cards and Visa and Mastercard credit cards.
- Make sure you understand all costs and accounts fees of each payment processor you are considering.



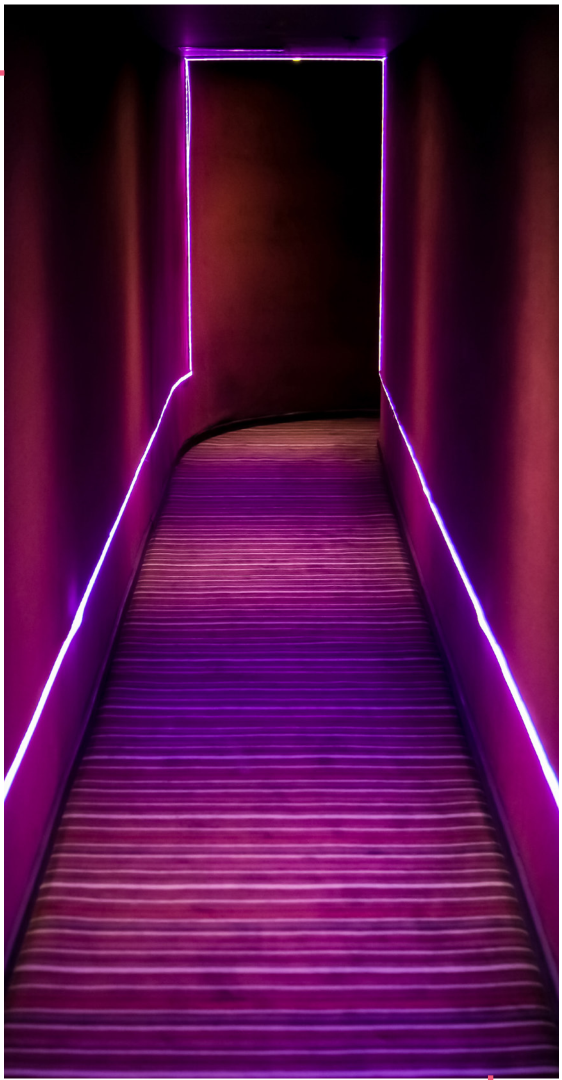
STEP 2:
REVIEW FEE STRUCTURES:

Payment processing fees can be complex, with several types of charges involved. Take the time to understand your fee structure using benchmarking data and identify areas where you can cut costs. For instance, look for ways to avoid unnecessary additional fees, such as PCI compliance fees or statement fees. Work closely with your payment processor to ensure you are only paying for the services you need. Regularly review your fee structure to stay informed about any changes or updates that could impact your costs.

Not all payment processors will charge the same fees in the same way- comparing prices will not always be straightforward, so using real data to create examples of what you may pay and save using various providers can help clarify which ones suit your business best. This can be a complex process however, so employing expert assistance can be useful here.

STEP 3:
OPTIMISE PAYMENT ACCEPTANCE METHODS:

While card payments are still used frequently by many consumers, alternate payment acceptance methods have been increasingly popular recently- and ignoring them only serves to narrow your customer base. Both online and offline, payment options such as digital wallets or mobile payments give consumers the choice of which way to pay is most convenient for them- reducing friction.



Diversifying payment acceptance methods can open doors to cost savings- alternative payment options which often come with lower transaction fees compared to traditional card payments. Additionally, explore payment aggregators or payment gateways that offer consolidated processing for multiple payment methods, simplifying your operations and potentially reducing costs.

STEP 4:
MONITOR AND ANALYSE TRANSACTIONS:

Regularly monitoring and analysing your payment transactions can reveal insights and help identify areas where you can save money. Keep an eye out for suspicious or fraudulent transactions, as chargebacks and disputes can result in additional fees and financial losses.

Implement fraud detection tools and stay updated on industry best practices to minimise the risk of fraudulent activities. By proactively managing your transactions, you can avoid unnecessary expenses and protect your business' financial health.

BRINGING IT ALL TOGETHER:

While there are many difficulties for SMEs in this area, payment processing offers opportunities for savings and efficiencies that will increase profits and reduce friction. By following these simple steps, many businesses will be able to make significant savings already, but by employing support from experienced advisors like Bankbrokers- these can be made even easier, with cost benefits quickly found.

CONTACT US:

Contact us for further information and testimonials on how Bankbrokers can help you. In addition, how industry specialists have helped review merchant services options and solutions to lower costs and offset the impact of rising inflation.

Our team of friendly experts can help your business secure the support you need.

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